

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, AUGUST 14, 1930

ALLEMANIA FIRE

Insurance Company

Pittsburgh, Pa.

Incorporated 1868

CITY

Insurance Company
of Sunbury, Pa.

Incorporated 1870

WESTERN

Assurance Company
of Toronto, Canada

Incorporated 1851

UNITED STATES FIRE

Insurance Company
of New York

Incorporated 1824

CRUM & FORSTER

MANAGERS

110 William St., New York City



DEPARTMENT OFFICES

Western Dept. Southern Dept.
FREREPORT, ILL. ATLANTA, GA.
Pacific Dept. Carolinas Dept.
SAN FRANCISCO, CAL. DURHAM, N. C.

Allegheny Dept.
PITTSBURGH, PA.

NORTH RIVER

Insurance Company
of New York

Incorporated 1822

WESTCHESTER

Fire Insurance Company
of New York

Organized 1837

BRITISH AMERICA

Assurance Company
Toronto, Canada

Incorporated 1833

UNION FIRE

Insurance Company
of Buffalo, N. Y.

Incorporated 1874

RICHMOND

Insurance Company
of New York

Incorporated 1907

METROPOLITAN FIRE

Insurance Company
of Chicago, Ill.

Incorporated 1903

TRANSPORTATION

Insurance Company
of New York

Incorporated 1927

UNITED STATES

MERCHANTS AND SHIPPERS
Insurance Company

of New York

Incorporated 1866

NEW YORK STATE FIRE

Insurance Company
of Albany, N. Y.

Incorporated 1836



The Glens Falls Group Writes Them All

REMEMBER: Your client is not properly insured unless he is fully insured.



CHICAGO BRANCH OFFICE
175 West Jackson Boulevard

NEW YORK BRANCH OFFICE
84 William Street

SAN FRANCISCO BRANCH OFFICE
354 Pine Street

Apartment House Owners Need Twelve Forms of Protection

The practical apartment house owner realizes that up-to-date conveniences are necessary for the profitable operation of his building.

He knows, too, that a continuance of his profits depends upon proper insurance protection. Without it, any one of twelve ever-present hazards may develop into disaster and "wipe him out."

Therefore, the wise owner buys twelve different kinds of insurance. They are pictured in the circle. Are you selling *all* of them to apartment house owners in your town?

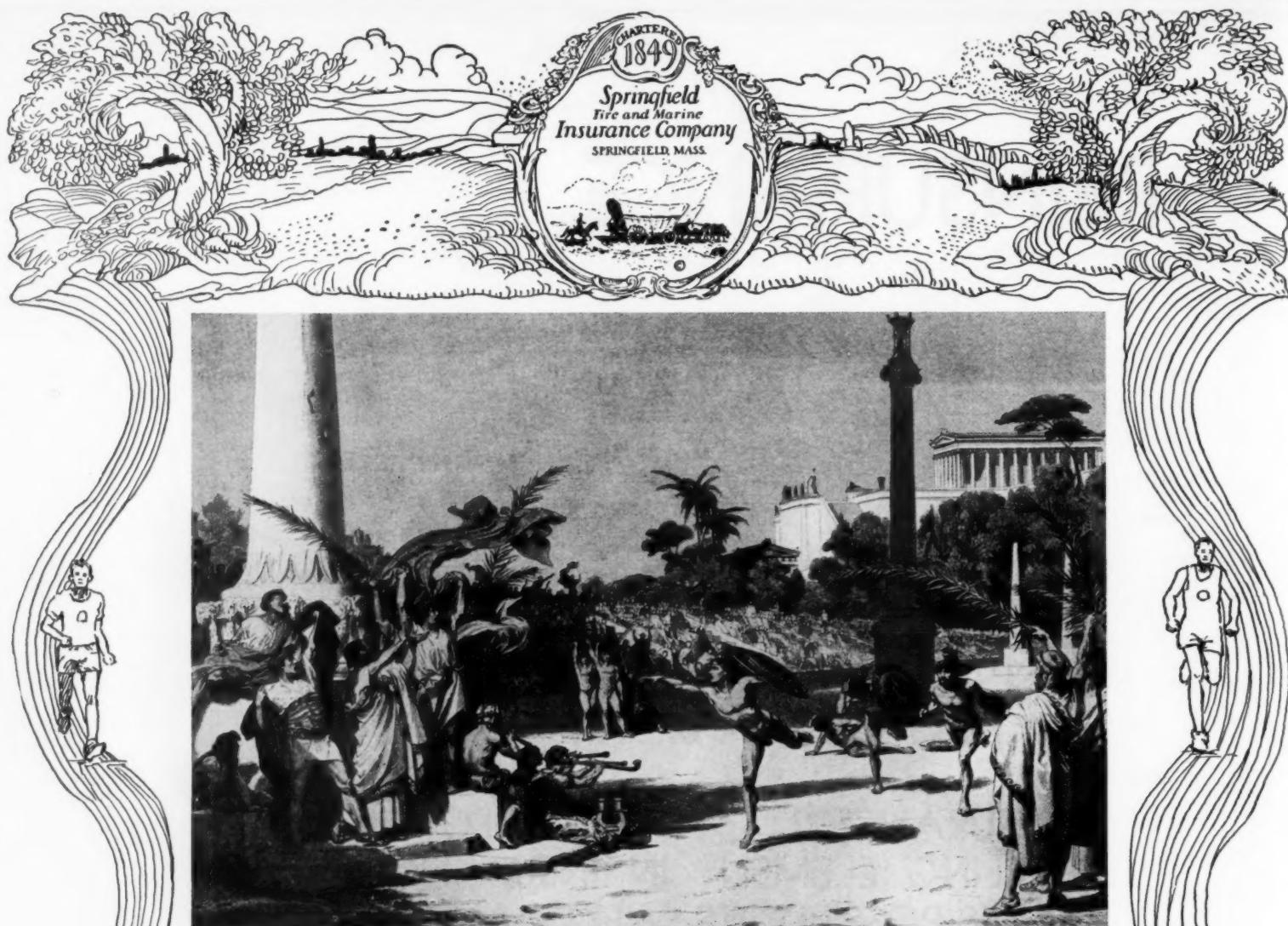
REINSURANCE

INSURANCE . . . THE ONLY MAN-MADE INSTITUTION THAT HAS WITHSTOOD THE ONSLAUGHTS OF PANIC, WAR AND PESTILENCE WITHOUT A BREAKDOWN.

REINSURANCE . . . THE REINFORCING AND LEVELING ELEMENT IN INSURANCE WHICH MAKES POSSIBLE ITS SAFETY AND STABILITY.

FURNISHED TO CASUALTY COMPANIES BY

EMPLOYERS
REINSURANCE
CORPORATION
KANSAS CITY



From "Greece and Rome" by Jakob von Falke

THE BLUE RIBBON OF OLYMPIC EVENTS

Published by Henry Holt & Company

"The Glory that was Greece"

RUNNING, or track as it is known in college athletics today, is the most primitive form of athletic exercise considered as a sport. There is not a game or athletic apparatus of any kind that has not been improved since the early days of its origin, but the spiked shoe may be considered to represent the only advantage enjoyed by the modern runner over his Olympic prototype. Running, or Marathon races, formed the most important part of the famous Olympic contests of the ancient Greeks. No records of the time made by the renowned runners in Greek races have been handed down but it may be inferred that the contests were very severe since ancient chronicles preserve the memory of several runners who died from exhaustion and were buried in state with their brows encircled by the victor's chaplet. Indeed, our modern Marathon, which is run over a distance of 26 miles, 385 yards, commemorates the reputed feat of Pheidippides, an Olympic champion runner, who, in 490 B. C. ran from Marathon to Athens bearing news of victory over the Persians and fell dead at the outskirts of the city gasping "Rejoice, we conquer."

For over eighty-one years the Springfield Fire & Marine Insurance Company has left no stone unturned to offer a service unsurpassed by any insurance company. We invite inquiries from agents in territory where the Springfield group is not already represented.

SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY

SPRINGFIELD, MASSACHUSETTS, U. S. A.

Pacific Department
GEORGE W. DORNIN, Manager
San Francisco

Affiliations
Constitution Underwriters Department
Springfield, Mass.
Sentinel Fire Insurance Company
Springfield, Mass.

GEORGE G. BULKLEY, President

Western Department
HARDING & LININGER, Managers
Chicago

Canadian Department
W. E. FINDLAY, Manager
Montreal, Quebec

Affiliations
Michigan Fire & Marine Insurance Company
Detroit, Michigan
New England Fire Insurance Company
Pittsfield, Mass.



The National Underwriter

Thirty-Fourth Year No. 33

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, AUGUST 14, 1930

\$4.00 Per Year, 20 Cents a Copy

Fleets Boosted by Marine Pact

Significance Seen in Agreement Signed With Casualty Companies

HANDICAPS INDEPENDENT

Advantage Is Seen for Inland Marine Carriers Having Casualty Running Mates

Much speculation has been aroused by the casualty-marine agreement recently signed by many companies, designed to end encroachment of inland marine companies on strictly casualty lines. Some managers see in it another boost for the fleet method of writing, as it is believed this places another premium on being a member of a group.

Under the agreement, fire and marine companies are prohibited from writing certain burglary and theft cover in inland marine forms in competition with casualty carriers. Apparently this ends the question whether fire and marine carriers will extend their operations in this broad field where in the past they have been writing almost every kind of cover under transportation forms.

See "Combination" Policy

However it is said by some managers that the fire or marine carrier in a fleet with a casualty running mate now is in position to write the fire lines in a "combination" policy in which the fleet's casualty carrier writes the casualty cover. This it is claimed will be regular procedure in which each type of carrier gets the premium justly due it.

At the same time fire and marine companies operating independently, it is said, will not be in the same strategical position, and as a consequence it is believed by some managers there will be a much stronger tendency in future in the past toward formation of fleets.

Anticipate Rapid Growth

Fire company men see the greatest hope for the future in inland marine, which because of the unusually broad basic transportation contract much better fits the needs of changed economic conditions than any other contracts or combinations of contracts on the market. It is anticipated that inland marine will enjoy rapid growth similar to that of the casualty business.

Although inland marine now nominally is a sideline business, with little more than \$50,000,000 of premiums a year in this country, nearly every fire company, if it does not now have such a department seriously is considering entering this field. It is believed the profits of the next few years lie in that direction, for it is freely admitted by many in the business that fire insurance has been developed about as far as it can be and comparatively little new business may be expected from this source in future.

Chicago Crash Stimulates Market for Aircraft P. D.

IS STRIKING OBJECT LESSON

People's Gas Company Is Protected Against Damage to Gas Holder by Falling Plane

The sale of aircraft and automobile property damage policies has been stimulated by the Chicago accident wherein a plane fell into a huge gas holder of the People's Gas Light & Coke Company, bringing death to the pilot and his two young women passengers and causing property damage to the People's Gas Light & Coke Company estimated at more than \$50,000. Because of the wide publicity given this accident and because of its horror, many agents have been soliciting their clients to buy aircraft and automobile property damage policies.

The disaster occurred when the pilot lost control of his plane during a sudden storm. The ship crashed through the steel plate and trusses of the gas tank and sank in 40 feet of water below.

Owner of Tank Protected

The People's Gas company is protected through an aircraft and motor vehicle property damage policy in the North America placed by Marsh & McLennan. T. J. Houston, former Illinois insurance commissioner, is representing the North America. Aircraft and automobile property damage insurance is classed as an inland marine line by most companies. The rate is low for all property except golf clubs and structures on flying fields, and the minimum premium is \$5 in some companies and \$10 in others.

Utilities companies are watching adjustment of this loss with great interest. The owner of the plane is believed to be without adequate assets and it is doubtful whether subrogation against him will be profitable.

The Chicago gas tank is by no means the first property to be injured by falling aircraft or by objects dropped from aircraft, but it is among the most dramatic.

(CONTINUED ON PAGE 38)

Cover Lindbergh Beacon in Inland Marine Form

The Phoenix of Hartford has issued an inland marine policy on the Lindbergh beacon from the time of its arrival in Chicago until completion of its installation on the Palmolive building on North Michigan avenue, Chicago. The policy expires on Aug. 15. The beacon is very perishable and there was a real hazard while it was being carried through the streets in a truck, while it was being hoisted to the top of the building with rope and tackle and while it was in process of installation. The policy only covers the beacon itself and not the structural framework.

Arrange Final Schedule of National Association Meet

ARRANGEMENTS COMPLETED

Dallas Hosts Will Be Busy From Sunday Morning, Oct. 5, Until Adjournment Oct. 10

From Sunday morning, Oct. 5, when the first contingent of guests is expected, until Friday morning, Oct. 10, when the sessions will close with election of officers, the Dallas committee in charge of arrangements for the annual convention of the National Association of Insurance Agents, will be working on schedule. R. W. Thompson, general chairman of the Dallas committee, announces completion of all arrangements down to color of stickers on convention automobiles.

Early Sunday morning the automobile committee under Dallas Smith will meet all trains. Parking space has been reserved for guest cars on duty.

At the same time Ray MacDowell and his reception committee, and W. R. Ellis and his hotel committee will be posted at the Adolphus and Baker hotels receiving guests and assisting in making room assignments.

All-Day Session Planned

An all-day meeting, beginning at 10 o'clock is scheduled for the executive committee with buffet luncheon in the Adolphus hotel. In the evening the Dallas committee will entertain the national executive committee at dinner at the Dallas Country Club.

Monday morning arrivals will be greeted by convention banners at the Union station and at both hotels, and special traffic officers will be posted at the hotels. Chairman Walter N. Hill of the transportation committee will have headquarters at both hotels to give information about train schedules and baggage arrangements.

Evans Keeling, chairman registration committee, will open registration headquarters Monday morning, and members of the ladies' committee will be prepared to receive women guests.

The National executive committee will be in session all day Monday and that evening. During the evening a theater party is scheduled for the wives of the committeemen.

On Tuesday morning the regular meeting of the executive committee with the state officers will be conducted in the Adolphus. The ladies will be entertained at luncheon and bridge at the Athletic Club.

The annual get-together dinner with Ernest Palmer, manager Chicago Board, as toastmaster, will be held that evening in the Adolphus and will be addressed by Governor Dan Moody.

Fred B. Ayer of Cleveland will preside over a breakfast for the coalition committee Wednesday morning in the Baker.

The first business session of the convention will be held Wednesday morning in the Adolphus. Early in the afternoon the entire convention will be divided into groups according to the amount of premium income. The first group will be composed of agents with premium income up to \$100,000, the

Drought Danger Causing Worry

Decreasing Water Supply and Increasing Moral Hazard Are Noted

NATIONAL BOARD INQUIRY

Many Towns Adopt Stringent Measures Covering Sprinkling to Ward Off Catastrophes

NEW YORK, Aug. 13.—As might be inferred, fire company executives are somewhat concerned over the long continued drought and the extent of the affected territory. The engineering department of the National Board recently addressed the Southeastern Underwriters Association inquiring whether conditions in its jurisdiction were such as to make advisable the dispatching of engineers to the field, but was told that thus far the situation is not serious.

Water Supply Is Adequate

Some five years ago the south experienced a long continued dry period, as a result of which a number of important centers throughout the territory, including Durham, N. C., and Lynchburg, Va., arranged for substantial additions to water supplies, which have proved adequate during the present crisis.

A number of towns in New Jersey are suffering, and their fire departments are complaining of the low water pressure which would greatly hamper them in event of serious fire outbreaks. All large eastern cities, and presumably those in other sections of the country as well, carry reserve water supplies sufficient to last several months, hence no particular anxiety is felt regarding them. It is the smaller communities that underwriters are worried about.

Many Towns Take Action

It is unfortunately true that in times of drought the heaviest call is made on water supply, large quantities being used for garden spraying, reducing pressure. Many towns already have prohibited use of water for lawn sprinkling, and others undoubtedly will take similar action unless the anxiously looked for rains appear very soon.

Not only has the drought greatly increased the menace of fire from a physical standpoint, but underwriters are fearful that it will mean an additional moral hazard, in that property owners, discouraged with the outlook, will welcome the burning of their property.

second group, from \$100,000 to \$300,000, the third group, more than \$300,000.

That evening the past presidents' dinner will be held in the Baker and the annual ball will follow.

Local board officers will hold a breakfast conference Thursday morning in the Adolphus preceding the regular

(CONTINUED ON PAGE 38)

Companies Demand Agents End Mutual Representation

BOTHERSOME IN THE SOUTH

Unwilling to Permit Dual Office Idea to Grow There As It Has in New England

ATLANTA, Aug. 13.—Competition from mutuals has reached such a point in certain sections of the south, particularly in the Carolinas and Georgia, that stock companies are no longer willing to remain in agencies in association with them, except in the case of domestic mutuals. This permits stock company agents to represent several long established Virginia and Georgia mutuals that have always observed ethical practices and have operated in harmony with orthodox stock carriers.

Mutuals of this latter class have restricted their activities to definite classifications of business and have been content to write modest lines, differing in both respects from the horde of concerns that have sprung up in recent years and are swarming all over the territory, many of which are soliciting both mercantile and residence risks and writing any lines they can get, regardless of size.

Trouble in Small Towns

As a rule agents in larger cities bar mutuals from their offices, not caring to bother with them, but in smaller communities local agents say that they must represent both types of carriers and it is with agents of this character that stock companies now propose to deal.

Heretofore stock companies have been philosophical about mutual competition, but now that it has become exceedingly aggressive, they are no longer willing to submit tamely to it, and are putting up to agents the question as to which type they care to represent. Stock company officials do not intend to permit dual representation to gain the foothold in the south that it has in New England, where one or more mutuals are to be found in the great majority of agencies.

General business in the south continues poor, and the strife throughout the territory, as elsewhere in the country, is to retain lines, rather than to seek new ones. New business has been difficult to find. The long continued dry weather is seriously affecting the cotton and tobacco crops, two staples of the south, and unless rain falls in a short time the drought is bound to be serious. This will materially affect premiums sought later when the tobacco and cotton crops are harvested.

Call Einstein to Solve This Adjustment Problem

J. F. Snyder, Kansas state agent, St. Paul, plans to consult Einstein on a fine problem in relativity in fire insurance adjustment.

Mr. Einstein, it will be remembered, is the man who says if you start from where you are on a beam of light you will get back to where you are before you start, or something of the sort.

Fire destroyed four acres of wheat on the farm of John Rahm, near Dighton, Kan. "The wheat was very poor and would not have produced more than three bushels to the acre, making 13.65 bushels of wheat destroyed," Austin Stone, the adjuster, reported to Mr. Snyder.

"After deducting the cost of harvesting and hauling to town, I find that the assured owes us 70 cents, and I tried to make him pay it but while he was perfectly satisfied with the adjustment, he demurred somewhat on paying anything to the company," Mr. Stone's report continued. "I will leave it to you whether you want to bring suit for this amount."

Dreher Manual on Advertising Sent to Boston Agents



RAY C. DREHER

Ray C. Dreher, advertising manager Boston and Old Colony, is author of a volume, "Insurance Advertising," which has the virtue of presenting a definite advertising program which agents may initiate immediately. The book is being distributed among Boston and Old Colony agents throughout the country. Mr. Dreher has analyzed the problem under three divisions, "Newspaper Advertising," "Direct-By-Mail Advertising," and "Eye-Arresting Advertising." He points out under what circumstances each of these forms of advertising are suitable or unsuitable. With examples he coaches readers on how to undertake a program using all advertising media. He suggests a budget for proper allocation of expense among the various types of advertising. He tells agents how to prepare copy, what locations are preferable in newspapers, what days are best for insertions of advertisements, what size space is beneficial.

Mr. Dreher covers the field of direct-by-mail advertising so that agents may directly apply the principles he enunciates.

Window display, outdoor advertising, street car and bus are among the types included in Mr. Dreher's division "Eye-Arresting Advertising." The newest viewpoints and latest solutions of ad-

CONDENSED NEWS OF WEEK

Fire company executives exercised over drought as water supplies decrease and moral hazard rises. **Page 3**

Final schedule for annual meeting of National Association of Insurance Agents is announced. **Page 3**

Chicago disaster stimulates sale of aircraft property damage coverage. **Page 3**

New England tour and many functions with companies as hosts planned for Commissioners' Convention. **Page 5**

Insurance Commissioner Livingston, in an address, urges better qualified agents. **Page 5**

Stock companies demand southern agents choose between stock and mutual representation. **Page 4**

Plans are now shaping up for the annual meeting of the Iowa local agents at Iowa City, Aug. 24-26. **Page 18**

Official personnel of Old Trails Automobile under merger plan is announced. **Page 29**

Paul M. Bowen becomes head of agency department of Standard Accident, with Ralph H. Platts and A. J. Crockett as assistants. **Page 30**

Hail Insurance to Give Profit to the Companies

LOSSES IN CANADA ARE HEAVY

Ratios in Three of the Wheat Raising Provinces Mount Upward Due to Storms

Companies writing hail insurance are pulling out this year on the right side of the ledger so far as the United States is concerned. Almost all companies will make a fair profit on their operations. Some states, Oklahoma for example, have shown heavy losses. However, as a rule the hail storms have not been heavy and the losses have been normal. The drought hit some of the states and during that period naturally there were no hail storms. However, the drought affected the amount of insurance written as many farmers cut down on their hail coverage.

Effect of High Prices

If the high prices of grain keep up during the year, there will undoubtedly be a greater demand for hail insurance next year as the farmers will consider that their crops are worth much more. The high price of corn will have no effect on the amount of insurance written this year as the upward march did not begin until too late in the season. However, corn is extremely valuable and farmers carrying grain insurance are glad that they have some protection.

Losses High in Canada

In Alberta and Saskatchewan, two of the big wheat producing provinces of Canada, hail companies report very severe losses. Officials declare that there will be no money made on hail insurance in that section this year. Manitoba records also a heavy hail loss. H. H. Campkin, secretary of the Hail Underwriters Association, reports an increase of 500 percent in hail losses in Saskatchewan. In Alberta the ratio is 380 percent and Manitoba 290 percent.

Vertising problems are presented in those chapters. His volume should be extremely useful to agents in getting started on an advertising program or in improving their program.

Directors of the Palisade of Hoboken, N. J., have decided to increase its capital from present \$100,000 to \$500,000, and as soon as conditions in the financial market improve will seek to float the additional stock.

Fleet method of operation is seen encouraged by casualty-marine agreement. **Page 3**

High loss ratios on hall insurance are found this year in the western Canadian provinces. **Page 4**

Jess G. Read has been chosen Democratic nominee for Oklahoma insurance commissioner. **Page 8**

Wind does heavy damage to new type of grain warehouse in Omaha. **Page 5**

National Crime Commission recommends handling payrolls by check to discourage holdups, suggestion made several years ago by National Surety. **Page 30**

C. M. Martindale, secretary of the Home of New York, has been temporarily transferred to the Home Indemnity to do production work. **Page 32**

Controversy arises over California reinsurance for Lumbermen's Reciprocal. **Page 31**

Analysis by Fidelity & Casualty of accident claims shows automobile as leading cause. **Page 29**

C. C. Wright has resigned as vice-president and general manager of the Constitution Indemnity. **Page 29**

Insurance Bound to Feel Effect of the Drought

LARGE AREAS ARE HARMED

Agricultural Communities Have Felt Result of the Protracted Heat and Dry Spell

The drought throughout various sections of the country, and especially in the large farm areas, will have an effect on insurance. Notwithstanding the later rains that have come in some of the dry regions, crops this year will not be helped to any extent by water flow at this time, although pastures will be revived. There have been a number of small fires due to dry conditions. However, great care has been exercised on part of property owners so that the fire loss has not been as heavy as might be expected. The possibilities, however, of loss have been great right along as all buildings were very dry and grass and vegetation were brown and easily ignited.

Many Lines Are Hurt

The canning industry has been greatly affected by the drought. This has been a line that furnishes a good volume of premiums during the season when the canning activities are on and considerable stock is stored. Banks as a rule are getting very conservative in their loans to farmers because many that secured loans early in the year have no means of paying them now.

In the agricultural districts thousands of towns and villages are dependent on the farmers and their business, of course, will be jolted. At the same time farmers that have any grain or produce will get good prices for it. Just how far moral hazard will develop remains to be seen. The situation, however, is an unfortunate one in all those areas where the drought has been protracted.

CROPS HIT IN SOUTHEAST

ATLANTA, Aug. 13.—The southeastern section of the United States has not been hit quite as hard by the drought as some other sections. There has been a little rainfall from time to time in the various sections. However, it has not been sufficient to produce fine tobacco or cotton crops. The opening of the tobacco markets in Georgia and South Carolina showed the inferiority of the weed due to insufficient rain. Prices are lower than ever before in the history of the business. Cotton has done fairly well but the activities of the boll weevil are causing considerable damage. A fair crop of cotton no doubt will be produced this year but like tobacco the quality will be inferior.

Losses throughout this section have been abnormal, no doubt due to grass fires and shingle dwellings. Agents everywhere report their losses higher than the usual average.

Agents Carrying Much Paper

Insurance men in this territory, both life and fire, are deeply concerned over prospects for the year. Most of them will write business early in the year and carry paper on it until the cotton and tobacco crops are sold. This year the prices so far have been so low that general farm expenses can hardly be met. This is going to mean that much of the paper accepted by agents is worthless, and will no doubt result seriously.

There are no towns at present on a water ration and the prospects of any are doubtful.

The principal complaints of the agents are shrunken premiums, excess paper, abnormal losses, and all of these are attributed to the drought, since it has injured the quality of cotton and tobacco. Collections are away below normal.

New England Tour Planned for Commissioners' Meeting

PROGRAM WILL BE OUT SOON

Advance Registration Indicates Large Attendance—Many Functions Are Being Arranged

Many delegates to the annual meeting of the National Convention of Insurance Commissioners are expected to take advantage of a New England tour which has been arranged. Registrations indicate there will be a large attendance.

It is expected that final arrangements based on registrations will be made during the week of Aug. 25, because of necessary details which then must be completed for hotel and bus reservations, attendance at banquets and publication of programs.

Delegates in returning to their homes will carry back with them numerous mementos of the convention and the trip through New England, as a number of New England manufacturing concerns have expressed their desire to present souvenirs to the commissioners. While some of these will be personally presented either in Hartford or during the tour of New England, it is probable that most of them will be mailed out.

On the first day of the New England tour, which is to end at Bretton Woods, N. H., Sept. 10, a stop will probably be made in Montpelier, Vt., for dinner at the National Life as guests of that company and President Fred A. Howland.

Plan Local Entertainment

Details of the program during the stop at Swampscott, Mass., Sept. 12, are in charge of a committee of Boston insurance interests headed by Edward C. Stone, United States manager Employers' Liability. Arrangements for the stop-over at Providence, R. I., the following day, are in charge of a Providence committee headed by U. S. Senator Felix R. Herbert of Rhode Island. A luncheon is to be held Saturday at the Squantum Club in Providence, at which time the final business session of the convention will take place.

A considerable part of the business sessions to be held in Hartford will be transacted by committees appointed at the Toronto convention last September. The committee on uniform law and investments includes Commissioners Boney, North Carolina, chairman; Smith, New Jersey, and Thulemeyer, Wyoming. The committee on the merit rating plan of insuring automobiles includes Commissioners Younger, Ohio, chairman; Caldwell, Tennessee; Wysong, Indiana; Sullivan, New Hampshire, and Brown, Minnesota. The committee to investigate commission costs of insurance includes Commissioners Livingston, Michigan, chairman; Freedy, Wisconsin; Yenter, Iowa, and Taggart, Pennsylvania.

Programs Out Soon

During the commissioners' meeting it is planned to hold a short celebration in the offices of the Connecticut department observing its 65th anniversary. Arrangements also have been made, in addition to the banquet for men and a dinner for ladies Monday evening at the Farmington Country Club, for a banquet that evening for approximately 40 employees of the Connecticut department.

All delegates and guests are to receive on their arrival in Hartford official badges to identify them. Provisions made for newspaper representatives include a press room in the Hotel Bond where business sessions will be conducted. It is expected that the program for the convention and several banquets, including the sixth annual Connecticut Insurance Day conference, soon will be completed and the itinerary of the New England tour will be announced.

Cotton Insurance Gives Broad and Unique Form of Protection

By EDWIN G. SEIBELS
President Cotton Fire & Marine Underwriters

Cotton insurance has no exact counterpart, so far as the writer knows, in any other insurance in its breadth or method of handling. It is an insurance specialty, built up by long years of experience on the part of the underwriters with the cotton business, and the needs of the shipper, the banker and the consignee.

Stated generally, the essential feature of the present cotton policy, whether marine or fire, is full protection for the merchant or shipper, the banker and the consignee against all risks. This full protection, I venture to say, which the cotton underwriter provides against fire, flood, collision, derailment, riots and civil commotion, (theft if desired), sea perils and country damage, has done more to influence, in the last 20 years, the changes in the handling, shipping and financing of cotton than any other agency.

Cover Assured's Interest

Marine and transit cotton covers are not issued for any specific amount or premium. These policies automatically cover the assured's interest in cotton against all risks from the moment the cotton becomes the property of the assured, no matter where it may be located, until such interest is terminated by sale or delivery to a third party. The amount of insurance is automatically fixed at the value of the cotton belonging to the assured. There is no question of coinsurance, which is required under specific or storage cotton policies as distinguished from marine and transit covers. These conditions enable the shipper and the banker to feel perfectly secure at all times as to the sufficiency of his insurance protection, both against fluctuating prices or increases in the

quantity of cotton held in any one location.

Marine and transit cotton policies furnish the only protection that I know of against risk of flood. In the great Mississippi river flood of 1927, the cotton insurance companies paid out approximately \$4,500,000 for flood losses. Without this insurance, the owners of this cotton would have been ruined, and the bankers, making advances against same, would have suffered irreparable losses.

Reinsurance Big Factor

The rates under both marine and transit insurance are calculated on the same general plan. While the premium is calculated per \$100 of value, it is for all practical purposes a definite charge per bale, thus putting all shippers on an exact equality as to cost in proportion to the amount of business transacted—or bales handled.

The nature of the covers now given to the cotton trade makes it impossible for any one company, no matter how large its capital and assets, to provide such covers without enormous reinsurance facilities. Not only is the insurance market in the United States exhausted to provide the necessary protection of the cotton trade, but the London market (both companies and at Lloyds) as well as the continental insurance market, are all called upon for reinsurance. For this reason, it has been found necessary for the American companies to operate in groups, automatically reinsuring each other to take care of the enormous and frequently unknown liability, which must be assumed under the exceedingly broad and practically unlimited covers which are furnished today in the insurance of cotton.

Australian Insurance Is Reported Suffering Slump

Fire, marine and accident business in New South Wales, Australia, is in an unfavorable situation due to general business depression much the same as has struck the United States, the American consul, Dayle C. McDonough, reports. Premiums are considerably reduced. There has been great difficulty in covering many fire risks due to a tendency of carriers to avoid many hazardous classifications and insurance experts propose a group of companies to adopt a reciprocal plan of carrying good class risks up to a moderate limit and at sufficient rate.

There have been many new companies formed in New South Wales of recent years but it is said with few exceptions they cannot be termed successful and some companies are in financially unsound condition. Companies domiciled in New Zealand have fared somewhat better than those in Australia.

Suffer Underwriting Loss

Fire losses in the metropolitan area of New South Wales last year are estimated to have exceeded £2,000,000. Fire premiums last year are set at £2,389,386 by the government statistician for the year ended June 30, losses at £1,615,967 and expenses £1,073,718. For the last three years premiums are £7,034,711, losses £4,609,938 and expenses £3,069,554, giving aggregate loss on fire underwriting in the period £644,781. On marine underwriting profit of about £320,438 has been made over the last three years, the profit for 1929 being well below the average. For the most part casualty insurance has been fairly profitable.

Hotel Association to Make Survey of Insurance Needs

Returns from a questionnaire on insurance recently sent to American Hotel Association members in this country and Canada and the exceptional interest aroused have led to arrangements for a complete survey on this important subject to develop statistics certain to be of wide value to the national organization.

This activity will be in charge of Edward L. McManus, widely known in the insurance field in the east, whose selection was announced following a conference between President Thomas D. Green of the association and J. L. Damon, chairman of the association's insurance committee.

The survey is to cover all various forms of insurance required by hotels in the United States and Canada, and will be ready for the annual meeting of the A. H. A. in San Antonio, Tex.

Working in Rural Districts

Engineer Mock of the National Fire Protection Association during the summer months is continuing the work of last summer in rural and farming districts. He is working under the direction of a farm fire protection committee. This summer the work has been carried on largely in certain counties of Indiana, Iowa and Wisconsin.

Mutuals Meet in Los Angeles

More than 1,000 delegates, representing 600 insurance organizations, are expected to attend the convention of the National Association of Mutual Fire Insurance Companies in Los Angeles Aug. 18-21. An elaborate entertainment program is being arranged.

Wind Damages New Type of Grain Storehouse in Omaha

FOUR COMPANIES COVER RISK

Cargill Commission Company's Structure, Just Completed, Was Written at Minimum Rate

Great interest has developed among the companies in the windstorm loss to the Cargill Commission Company's new type of grain storehouse in Omaha. The business was written at minimum rate—believed to have been .036—although the Nebraska Inspection Bureau had not rated the risk because it had just been completed. Four companies, it is reported, participated in the risk.

The storehouse represented an experiment in building the largest storage capacity at the least possible cost. It consists of a series of bins of 5,000,000 bushels capacity grouped on a space 300 feet square. The large open bins were constructed of reinforced concrete while the construction of the roof consisted of 1½ inch wire cables spaced 8 feet apart, crossed by channel irons and tie-rods and covered with corrugated iron.

A moderate wind of 24-mile velocity as measured by the Omaha weather bureau three miles away caused the damage. It is believed that the wind entered the cover through louvers in the side walls. The loss is reported at from 2 to 5 percent of the value, which is from \$400,000 to \$500,000. There was little damage to the grain because the wind was accompanied by little rain.

The susceptibility of the structure to the wind was apparently not realized by the companies when the business was written. So far as can be determined, there is no permanent insurance on the risk under fire and explosion coverage.

Jones Starts in New Post

Roy W. Jones, who not long ago was appointed state agent in Ohio for the Employers Fire with headquarters in the Hostler building, Columbus, is working in cooperation with William H. McGervy, who has been identified with the Employers Fire in that state for many years. Mr. Jones, who was formerly with the Hudson, has now covered practically his entire territory personally to inform his friends of his new connection.

Better Qualified Agents Needed in the Business

Insurance Commissioner Livingston of Michigan in a talk before the banquet of the American Life of Detroit agents called attention to the fact that 95 percent of the complaints that reach his department are due to unqualified and unfit agents. He seldom receives a complaint or criticism regarding an agent who knows his business, is well prepared to diagnose a man's insurance needs and outline an insurance program. The great body of criticism is due to the ignorance of agents. Not knowing their contracts or insurance practices they make all sorts of mistakes and involve the assured in many complications.

Commissioner Livingston said that he had figures compiled and found that 85 percent of the business in his state was written by 15 percent of the number of licensed agents. He declared that it is most expensive to secure the 15 percent of business from 85 percent of the agents. He thinks that entirely too much money is spent on the unqualified and unfit. He recommended that adequate agency qualification laws be passed in all states.

The Washington Assurance of New York has been licensed in Alabama. The state agents are Moseley, Davis & Major of Birmingham.

Many Agents Boost Income By Selling Life Insurance

OFFSETS FIRE PREMIUM LOSS

Find Clients Prefer to Buy All Forms of Protection From Single Agency

A large number of agents, finding that their premium income in their fire and casualty lines has been much less this year due to business depression, reduced rates and other factors, are turning to life insurance and seeing that it is one of the best classes of insurance to sell at this time. Some years ago agents who had devoted their time to fire insurance found that if they kept on traveling a single track they could not possibly maintain their premium income because of business combinations, which threw the insurance to large financial quarters, the equipping of risks with automatic sprinklers, which reduced rates materially, and other factors that had a bearing on agency control of fire insurance.

TURNED TO CASUALTY LINES

They turned, therefore, to the casualty lines and today most of these offices find that 50 and even a higher percentage of their income comes from casualty and surety. Now these agents again find themselves faced with a reduced income. The same old factors are at work and new ones are to be found. In casting about, therefore, hundreds of agents are taking up life insurance and have maintained their commission income and even increased it. They find that life insurance is the salvation of the day. In view of the fact that so many people got caught in the stock market crash, they are now becoming more conservative in their views and are buying less speculative investments. This is causing them to turn to life insurance.

MAKE LIFE INSURANCE A FEATURE

Inasmuch as they have acquired a taste for blood, so to speak, undoubtedly producers will continue to make life insurance a feature of their agencies. They find that the commissions are much higher on life insurance and when they get a good case the return for the agent is most inviting. A number of these men say that they find that a large number of policyholders desire to deal with one man, letting him write all his insurance, whatever its character. In the large cities agents and brokers are finding it remunerative to be able to handle all classes of insurance and therefore they carry a life insurance rate book. Agency departments of life insurance companies are recognizing the new order of the day and are recruiting from the men doing a general line of insurance.

Death of Ferrers Daniell

Ferrers A. Daniell, former fire manager of the Royal Exchange at its home office, died a few days ago at the age of 65. He retired as manager in 1922, his successor being Robert Connew, who since that time has been made general manager.

O'Brien Returns Home

Fred O'Brien, vice-president of the Chicago Fire & Marine, who underwent an operation in a hospital at New Orleans, has returned to his home. He will take a month's vacation in order to recuperate.

Knox on Coast Trip

J. W. Knox of Chicago, vice-president of the Great Lakes, has been on a business trip to the Pacific Coast for a month, being accompanied by Mrs. Knox. He will return home in a few days.

Observer Comments on Rate Regulation Laws

To the Editor:

Referring to the article in THE NATIONAL UNDERWRITER entitled "Fewer and Better Companies; Fewer and Better Agents," I agree most heartily with nearly all the opinions expressed by the "keen observer" whom you quote but I do not believe that company officials whose experience and observation cover states in which anti-discrimination laws have been in effect for a number of years would welcome the abrogation of such laws and a return to the "good old days" of so-called competition. Furthermore, I am positive that owners of large insurable values would object most strenuously to the abrogation of such laws.

PRACTICE RATE CUTTING

In one outstanding state in which, prior to the enactment of the present anti-discrimination law, agents Tom, Dick and Harry who had no real merit as agents vied with each other in "shading" the published estimates in order to steal business from the other fellow. In practically every instance the agent represented to his company that he was obliged to use the indicated rate "in order to meet his competitor's offer" when, in fact, he himself originated the cut. I have in mind one agent in a good-sized city who cut the rate on his own business and gave the foregoing reason for doing it.

SATISFIED WITH NEW LAW

In that state, after the law had gotten into practical working order, various owners of extensive properties who theretofore had been the beneficiaries of "cut rates" declared themselves perfectly satisfied with the new law, as they knew that their competitors were on an equitable footing with them so far as insurance cost was concerned.

So far as concerns control or supervision of rates I agree with the "keen observer" only in that the insurance department of a state has neither the capability nor the right even to give an opinion concerning the adequacy or the inadequacy of a rate.

The penchant of some state officials

to arrogate to themselves the expression of such opinions is, of course, based to a great extent on the so-called "experience" of the companies covering, usually, a 5-year period. The companies themselves are to blame for having initiated the use of such a nonsensically short period of experience, and, therefore, cannot complain when the various insurance departments compel them to waste time and expense in compiling a lot of such statistical figures that, as expressed in Goldberg's cartoons, "don't mean anything."

The ideal anti-discrimination law compels every company to be a member of a rating bureau and to file such bureau rates with the superintendent of insurance so that in case discrimination should be charged and established he can invoke the proper penalty and nothing more.

SAYS PLAN IS NOT WORKABLE

As regards a company's being permitted to charge a higher dwelling rate in one section of a state than for an identical dwelling in some other part of a state, such an idea is purely visionary and unworkable. By the same token, villages, towns, and counties might demand special rate consideration because of good loss records. That idea actually prevails in some sections but if it were to prevail generally the towns or sections having a bad record would have to be penalized accordingly.

MUST MAKE GOOD USE OF PRESENT

What would be done to Chicago, Jacksonville, Baltimore, San Francisco, etc., in such circumstances?

No, until the insurance business is represented by the very small number of companies as predicted by the late Henry Evans or until existing companies operate under a banner inscribed "For the greatest good of the greatest number" our "keen observer" will have to adapt himself as best he can to "things as they are" but, at the same time, use every endeavor to bring in the glad day when "things as they should be" will be the rule.

—FREWILRAN.

Plan Trip Along Needles Road for Blue Goose Meet

Among the enjoyable features of the Blue Goose Grand Nest meeting to be held in the Black Hills of South Dakota will be an automobile sight-seeking trip through the southern hills. This trip is scheduled for the second day of the meeting, Wednesday, Sept. 10. The party will travel along the Needles road, one of the world's wonders in road construction, and will visit Sylvan Lake. Thence the visitors will proceed to Custer, which has an altitude of 5,345 feet, where gold was first discovered in 1874. Arriving at Hot Springs the guests can swim in what is called the world's largest indoor pool and visit Battle Mountain sanitarium.

After a buffet luncheon in the rice fields of the country club, the caravan will continue to Wind Cave National Park and game preserve and will climb the top of Mt. Coolidge, reaching an altitude of 6,400 feet, where a remarkable vista may be witnessed. Descending the mountains the State Game Lodge, which in 1927 was the summer home of Calvin Coolidge, will be visited.

MILLER BACK FROM ABROAD

H. A. Miller of Chicago, assistant western manager of the North America, arrived at his office Monday after his two months' trip abroad.

Jersey Shore Property Is Becoming Large Problem

MORAL HAZARD BOTHERSOME

Drop in Fire Loss in July, However, Gives Underwriters Hope of Making Profit

NEWARK, Aug. 13.—To the relief of underwriters, New Jersey fire losses fell off considerably in July. New Jersey is held by company heads to be one of the most difficult of eastern states to handle from a purely underwriting standpoint.

The change in population in north shore resorts has so altered hazards in certain localities, notably in Long Branch, once the home of millionaires and a highly fashionable community, as to compel a number of companies to withdraw, hopeless of making a profit on their operations there.

SPUNK-EASIES CAUSE PROBLEM

Bootleggers have secured control of many erstwhile highly desirable properties and under the guise of "tea houses" are running "spunk-easies." The combination of moral and physical hazard is one with which underwriters find it exceedingly hard to contend, and shore business—always, of course, excepting that at Atlantic City and hotels of standard reputation here and there along the northern coast—is fast becoming taboo with many fire companies.

Another disquieting influence is the number of explosions that have taken place and have been attempted in generally desirable industrial plants. Only recently an unsuccessful effort was made to blow up a Paterson property. The building was of concrete construction, well equipped with sprinklers, and of omnibus tenancy. No moral hazard attached.

Labor trouble it is assumed was responsible for the effort to blow it up. Hazards of such character are not contemplated by underwriters in their consideration of risks, and that they are being introduced is decidedly upsetting to insurance men, as well as to law-abiding citizens generally.

CENTRAL FIRE ARRANGEMENT

The Central Fire of Baltimore, bought some time ago by the North America through a stock interchange, now is managed in western territory by C. R. Tuttle, western department manager of the North America at Chicago. Mr. Tuttle carries the title of general manager of the Central's western department, which is domiciled with the North America at 209 West Jackson boulevard. George H. Coleman has been appointed Cook county manager of the Central. The Beard Insurance Agency, Insurance Exchange, is local agent. Mr. Coleman has had more than 30 years experience in Chicago fire insurance, most recently having been for more than 10 years Cook county manager for the America Fore fleet.

state, although it is supposed to have its main office there.

The Universal American Underwriters also has a South Dakota charter, but Commissioner Lewis of this state says he has been unable as yet to secure any record of policies issued in the state by that organization. He has sent out a letter to companies and agents asking them to submit to him any information that they may have regarding it. Articles of incorporation of that company and the two named in the suit just filed have never been appointed by the South Dakota department nor has it issued any certificate of authority to them. The Southern Underwriters seems also to have operated as a part of the same group, but does not have a South Dakota charter. The suit alleges fraud and misrepresentation in the securing of the charters.



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Stock Fire Carriers Get 87 Percent of Premiums

SHOW RESULTS IN ILLINOIS

Department Report Taken from Annual Statements Records Total of \$81,607,137

Stock fire companies wrote 87 percent of all fire premiums in Illinois last year, it is indicated in the summary from annual statements, prepared by the department. Of the \$81,607,137 premiums received by all carriers reporting, \$71,754,417 went to stock companies. Total losses paid by all classes of carriers were \$34,323,382.

Premiums were distributed as follows: Illinois stock companies \$1,093,828;

stock companies of other states \$59,939,451, foreign stock companies \$10,711,136, Illinois mutuals \$1,012,488, mutuals of other states \$7,604,167, Illinois fire inter-insurance \$129,678, fire inter-insurers of other states \$210,320, American Lloyds \$511,906, and London Lloyds \$384,158.

Stock companies had an indicated loss ratio of 46 percent as follows: Illinois companies \$443,609, companies of other states \$26,605,362, foreign companies \$5,353,999, and losses paid by other carriers were: Illinois mutuals \$415,355, mutuals of other states \$1,095,883, Illinois inter-insurers \$23,192, inter-insurers of other states \$158,380, American Lloyds \$151,396 and London Lloyds \$76,100. The combined loss ratio on all business, it is indicated, was slightly over 42 percent.

Premiums of leading carriers were: Aetna of Hartford \$2,248,318, American of Newark \$1,793,472, Continental \$1,597,850, Fidelity-Phenix \$1,658,330, Fire-

man's Fund \$1,129,264, Globe & Rutgers \$1,151,781, Hartford Fire \$2,206,363, Home of New York \$2,750,076, North America \$2,595,962, National of Hartford \$2,566,852, National Union, \$1,034,917, St. Paul F. & M. \$1,628,722, Springfield \$1,279,362, United States \$1,140,439, Commercial Union \$1,122,983, Royal \$854,877.

The Citizens Fund Mutual of Red Wing, Minn., received \$35,292 premiums, Chicago Lloyds \$461,962 and London Lloyds \$384,158. Of this amount London Lloyds paid only \$76,100 loss, or an indicated 19.8 percent loss ratio.

Query on General Cover Forms

NEW YORK, Aug. 13.—Members of the New York Fire Insurance Exchange have been queried as to risks they may have written under reporting forms and general cover contracts at other than published rates and rules of the exchange.

Jess Read Leads in Oklahoma Primary

OKLAHOMA CITY, Aug. 13.—Jess G. Read has been chosen as the Democratic nominee for insurance commissioner by an overwhelming majority, the returns from the primaries Tuesday indicate. In the preliminary primaries in July, Commissioner Read carried 75 out of 77 counties against a field of six opponents. He is completing his second successive term as insurance commissioner. Mr. Read is second vice-president of the National Convention of Insurance Commissioners and has served as chairman of its executive committee.

Agents' Attitude on I. U. B. Undergoes Radical Change

NEW YORK, Aug. 13.—As the direct result of the close study of operations of the Interstate Underwriters Board by officers of the National Association of Insurance Agents, and of addresses made by Manager John R. Dumont, of the I. U. B., before a number of local agents' associations, there has been a pronounced change in the general attitude of agents toward the I. U. B.

There was a feeling at first that the company organization was antagonistic to agents and was seeking to secure business at their expense, but this has given way to a realization that the I. U. B. affords a medium for saving many risks that otherwise would be lost to local agents, as well as to stock companies.

Must Meet Changed Methods

Methods of transacting business have radically changed in recent years and still further changes are in prospect. If insurance is to be of that service to general business interests it should and can be, it must adapt its methods to meet new conditions, and it was in recognition of this that formation of the I. U. B. was determined on.

The success attending the activities of the organization thus far fully justify the faith of its creators. As was stated in these columns some weeks ago, the antagonism of some agents toward the organization was born of a misconception of its purposes and plans, and as these have since been made clear to local agents their viewpoint has completely changed. Now some of its most enthusiastic supporters are found in local agency ranks.

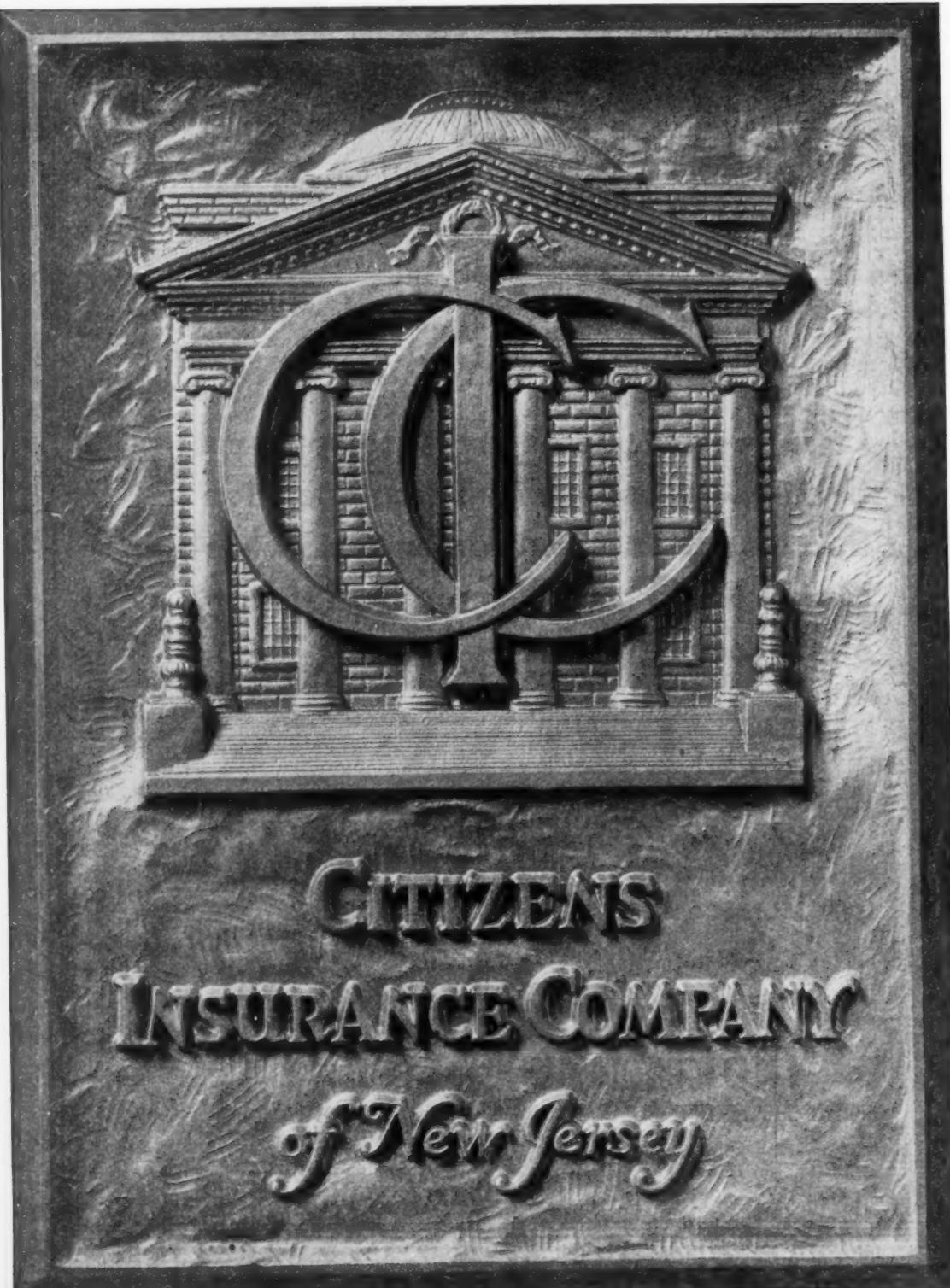
Writes Reinsurance Only

NEW YORK, Aug. 13.—The entire capital stock of the Metropolitan Fire of this city having been purchased by the Rossia International Corporation, affiliated with the Rossia, the direct business of the Metropolitan has been reinsured and henceforward the company will transact reinsurance solely, taking over the commitments of the American Reserve, which will cease to be a member of the Rossia group Aug. 21.

Official approval of the merger of the Insurance Corporation of America and the American Reserve has been given by the New York department. Under the new arrangement the capital of the American Reserve is increased to \$1,000,000.

Proceedings in Book Form

DENVER, Aug. 13.—Proceedings of the annual convention of the American Association of Insurance General Agents at Richmond, Va., last May have been printed in book form. In addition to the proceedings, the book includes the membership roster and constitution and by-laws.



Indiana Insurance Tax Is Enough to Run 39 Offices

REPORT MADE TO COMMITTEE

National Board Brief Incorporates
Commissioner Wysong's Striking
Illustration of Cost

The \$2,179,676 collected by the Indiana department from insurance companies and agents in premium tax, fees, fire marshal tax and so forth, is sufficient to pay the appropriations of a large number of the state offices and departments, Commissioner Clarence C. Wysong of Indiana points out in a brief just submitted to the Indiana tax survey committee by E. M. Griggs, assistant general counsel, for the National Board of Fire Underwriters. Commissioner Wysong's illustration was thought of so highly by National Board representatives that it was incorporated in the brief.

Draws Striking Illustration

He says insurance taxes and fees bring in a sum every year sufficient not only to carry on all operations of the insurance department, but also of the executive department, including emergency, civil and military contingent fund; the appellate court, supreme court, supreme court clerk and reporter, judges and prosecuting attorney, lieutenant governor, attorney general, state auditor, secretary of state, not including automobile liability and theft department; state treasurer, board of health, oil inspection, fire marshal, industrial board and employment commission, mines and mining, public service commission, board of state charities, adjutant general, board of pardons, state probation department, board of accounts, banking department, department of public instruction, teachers' retirement fund, governor's year book, dairy men's association, livestock breeders association, Indiana corn growers association, Indiana horticultural society, board of dental examiners, board of embalmers, board of registration of engineers, board of registration of nurses, board of pharmacy and board of medical registration.

Large Amount Involved

Total appropriation for all of these functions in the fiscal year ended Sept. 20, 1928, was \$2,001,125, or about \$34,000 less than revenue of the insurance department in the same period.

The brief recommends that the Indiana department receive a larger appropriation in order that it may properly administer insurance affairs, but that the fee charged carriers should be reduced so that total fees paid should approximately produce only the actual amount expended by the department.

In regard to premium tax it is recommended that reinsurance credit should be for reinsurance paid and not reinsurance received. The National Board recommends exemption of all carriers from income and intangible taxation, and that instead premium tax and fire marshal tax be imposed in lieu of all other taxes other than that on real estate and chattel property.

Quick Witted Agent Uses Torn Card in Clever Way

Getting in to see the busy business man past an eagle-eyed secretary is the most difficult part of canvassing for most producers. An eastern man solved this problem, at least in one case. After giving the secretary his card, through the partly opened door he watched his prospect tear it up and toss it into a waste basket.

When the secretary came out and told him, "Nothing doing," the agent said,

"All right, but please go back and tell Mr. _____ I want my card back." The girl was stumped but she conveyed the message. She returned immediately with the fragments of card and a 5-cent piece on top as a rebuke.

The agent, being quick-witted, snatched out his card case and presented another card. "Tell him they're two for a nickel today," he said brightly. That quick come-back won an interview on the spot, and a tidy application at the same time.

James F. Warren Dead

James F. Warren, for the past five years Arkansas state agent for the

Aetna, died at his home in Texarkana Aug. 8 following an operation for appendicitis. A native of Dallas, where he was born in 1897, Mr. Warren began his insurance career with Trezevant & Cochran of that city in 1919, becoming a special agent for the office in 1920. Twelve months later he became Arkansas special agent for the Aetna and was advanced to state agent in 1925.

Window Display Suggestion

The "Hartford Agent" gives some timely and seasonal hints for agents who have ground floor window display space. Agents who have difficulty in preventing their show windows from frosting

or sweating can overcome this difficulty, it says, by rubbing the glass with a solution of equal parts of alcohol and glycerine and setting an electric fan inside of the window so it will blow directly on the glass.

Miscellaneous Notes

Manager Ernest Palmer of the Chicago Board is spending August with his family at Northport Point, Mich.

Stock issues admitted for trading on the New York Produce Exchange during the week included 115,000 shares Constitution Indemnity of Philadelphia and 50,000 shares Chicago Fire & Marine.

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ITS ADVANTAGES—**1st**—It discloses insurable values that have long been written off the books through unscientific depreciation. **2nd**—It gives the agent, the assured, and the companies value facts of property. **3rd**—It makes for adequate insurance protection, for in nearly every instance it calls for additional insurance."

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AS SEEN FROM CHICAGO

FACTORY ASSOCIATION MEN MEET

H. P. Smith, manager of the Factory Insurance Association of Hartford, was in Chicago last week conferring with Randolph Buck, manager of the Western Factory, with a view to harmonizing the general practices of the two organizations so far as possible.

RAPP & LEMAY DISSOLVE

The Class 1 agency of Rapp & Lemay in Chicago has been dissolved and George A. Rapp and Charles A. Lemay will in the future operate separately, both as Class 1 agents with approximately the same company representation as heretofore. They will continue to occupy the same offices at 166 West Jackson Boulevard. Both had an extensive experience in the Cook County field as special agents before forming a partnership five years ago.

BUSINESS NOW ON UPGRADE

Despite the depressing Chicago premium figures which have been printed for several weeks in THE NATIONAL UNDERWRITER, a decided updrift in fire business is reported by some western departments. This is most strikingly illustrated by two important changes that have occurred just recently. One is an ever increasing return to writing on five year term basis. Assureds in the last 12 months have been getting farther and farther away from five year term fire insurance, and in fact the issuance of even three year terms appreciably decreased. Despite the cash saving resulting from writing on a long term basis, assureds pressed for money for the most part have carried only annual policies. The decided trend toward long term policies indicates to western department heads easier money. As if this were not sufficient proof, one western department reports that last Wednesday it did the largest business for a single day in eight weeks or more. Another straw which shows the way the wind is blowing in August fire business is the fact that one western department has just been called on to write 17 private garages. This has been a class hard hit in the business depression and for some time it is said practically no private garages have been covered. There is a strong note of optimism in Chicago and central western fire business, and underwriters now are confident the low point has been safely passed.

FIRE MANAGER COMPLAINS

A communication of Leo H. Lowe, director of trade and commerce of Illinois, to casualty company executives requesting discontinuance of the practice of covering privately owned and operated automobiles of employees of business institutions under master contracts at preferential rates, has called forth a letter from a western fire manager pointing out that fire companies are writing quite a bit of automobile insurance in conjunction with casualty companies on the same "fictitious" fleet basis. "As it is apparent that certain fire companies are guilty of the same practice chargeable to certain casualty companies, no doubt if a similar letter went to all fire companies writing automobile insurance it would help matters considerably," this manager writes Mr. Lowe. It is pointed out that the fictitious, or improvised, fleet method of writing automobile cover is merely an expedient for cutting rates without gaining the odium of doing so.

KOMAIKO OPENING OFFICE

S. B. Komaiko is leaving the office of B. L. Heath & Co. to form the class 1 agency of S. B. Komaiko & Co. Beginning Aug. 15 Mr. Komaiko will have his office at A-2109 Insurance Exchange, adjacent to Keller, Anderson & Co. Mr. Komaiko will have the sole agency of the State Fire & Marine of Illinois and

the general agency of the Liberty Bell of Philadelphia. He will take on additional companies in the near future. Andrew Geier, who has been associated with Mr. Komaiko for many years, will have charge of the underwriting in the office. Mr. Geier is a thoroughly experienced man.

Mr. Komaiko has been prominent in Chicago civic and philanthropic work, and takes an interest in all patriotic movements.

Mr. Komaiko was for a number of years one of the prominent brokers in the office of Rollins Burdick Hunter Co.

VACANCIES ARE FILLED

Owing to the fact that W. L. Lerch, former deputy western manager of the Royal, was on a number of committees of the Western Underwriters Association, President Street has made appointment following the former's resignation as he has become manager of the Underwriters Grain Association. The following are appointed: Arbitration, C. W. Higley, Hanover; Finance, A. F. Powrie, Fire Association; Membership, S. M. Buck, Fireman's Fund; Uniform forms, W. N. Achenbach, Aetna; Cook county loss adjustments, George H. Bell, National; Cooperation in loss adjustment practices, S. M. Buck.

COMMITTEE ON ARRANGEMENTS

President C. R. Street of the Western Underwriters Association has announced the committee on order of business for the semi-annual meeting to be at the King Edward hotel, Toronto, Sept. 16-17. The committee consists of A. F. Powrie, Fire Association, chairman; S. M. Buck, Firemans Fund; John R. Cashel, Providence-Washington; J. C. Harding, Springfield; B. L. Hewett, Boston and Old Colony; S. P. Rodgers, State of Pennsylvania.

CHICAGO PREMIUM ADDITIONS

Additional returns to the city comptroller by fire companies on Chicago premiums brings the number of reporting companies to 200. Substantial decreases are shown in most cases. The figures for the year ended June 30 are:

	1929	1928	1927
Agricultural ...	\$ 73,996	\$ 84,374	\$ 85,143
Bank. & Ship. ...	20,357	22,698	35,647
Camden Fire ...	100,065	103,798	111,772
Commer. Union ...	197,855	221,533	271,446
Commerce ...	80,731	93,850	93,931
Fidelity Amer. ...	13,707	.....	.....
Fireman's Fund ...	369,962	555,608	543,839
Glens Falls ...	296,005	322,762	336,373
Home F. & M. ...	50,730	.....	.....
Nat. Guaranty ...	12,643	16,570	8,040
New England ...	14,205	9,462	.....
Northw. F. & M. ...	57,997	13,076	10,894
*Northern, N. Y. ...	77,882	.....	.....
Occidental ...	12,183	.....	.....
Patriot ...	81,345	111,362	121,026
Phoenix Assur. ...	189,614	214,208	209,492
Public. N. J. ...	87,722	109,668	12,546
Springfield ...	387,021	.....	.....
St. Paul F. & M. ...	227,479	236,219	563,760
Sun ...	194,966	217,984	208,161
Sun Und. ...	16,542	.....	.....
Twin City ...	16,121	15,202	38,459

*Incomplete figures.

LOSS BUREAU TO MOVE SOON

Now that the Western Insurance Bureau and the Western Sprinkled Risk Association have transferred their offices from A-1133 Insurance Exchange building to the sixth floor of that building, their old quarters are being remodeled for the occupancy of the Cook County Loss Adjustment Bureau. Most of the remodeling consists of building in more individual offices and when this work is completed in two or three weeks the Cook County Loss Adjustment Bureau plans to move into the Insurance Exchange building from their present offices at 166 West Jackson boulevard. The Western Insurance Bureau is now quartered in A-657 Insurance Exchange building and the Western Sprinkled Risk Association is next door but there is no communication between the two offices.

SALES IDEAS AND SUGGESTIONS

Helpful Hints for Fire and Casualty Insurance Producers

Ohio Agent Declares Cut Rate Methods Will Destroy Effectiveness of Office

"You can't cut 15 or 25 percent from 100 percent insurance and still have the 100 percent insurance left. You can't get \$1 insurance value for a 50 cent piece."

That is the way Ross B. Strimple of the firm of W. W. Reed & Son at Kent, O., talks to people who think he ought to sell "them cheaper insurance." Strimple tells of his attitude toward cut-rate competition in the "Hartford Agent."

Mr. Strimple's agency, says the "Hartford Agent," is probably the largest small town agency in Ohio. The population of Kent is only 7,000 but the agency of W. W. Reed & Son does more business than the average agency in a city three times its size. Says Mr. Strimple:

Losing on Renewals

"I know an insurance agency in a small city near here that has for years been the leading agency of that city. It is yet, in fact, with the exception of its automobile business. A few months ago I heard a rumor that something was wrong, and it was losing out in its automobile business. I suspected the reason. I made it a point, a little later, to call upon these men to find out what was really wrong. We knew them well. They told their story. It was just as I expected—cut-rate competition. 'We're just licked,' one of them said to me. 'We don't get in any new business and are losing our renewals. We're just forgetting the automobile end of our business and putting all our effort into the other lines.'

Rests With Themselves

"It is my opinion that the condition of that agency is very similar to the condition of hundreds of agents throughout the country. Not only were these men 'licked' but, worse than that, they believed it themselves. They stood by helplessly waiting and hoping that 'something would happen.' But nothing can happen until they realize that the solution of their problem rests entirely within themselves.

"I wonder how many agents are also insurance salesmen. I am afraid most of us are not. Do we know our product? Are we enthusiastic about it? Do we realize that the simple fact that standard old line stock insurance is higher priced, is the most potent selling argument for it? I say 'for it' not 'against it.'

What Cut-Rate Means

"The writer has spent the last few years carefully analyzing various types of cut-rate competition. Some agents have been found who cut 10 percent, some 25 percent, and we have met others who underquoted us as much as 50 percent. Let me say right here that the bigger the cut the easier it is to meet them in competition. If the only competition we had was the 50 percenters—well—our competitive troubles would be practically all over. You can't cut 15 or 25 percent from 100 percent insurance and still have the 100 percent insurance left. You can't get \$1 insurance value for a 50 cent piece. We have never met a cut rater yet that we couldn't tell exactly, after a little study, just what was left out to account for their lower prices. Sometimes it was one thing, sometimes it was another, but always something was omitted."

"I also believe that many agents completely overlook another important, if not the important, sales point and that

is, that after all we are just selling protection—not insurance at all. And on that account it is particularly essential that our protection be of the 100 percent type—the strong—dependable and serviceable kind. The very meaning of protection suggests that. It is a universal need. We only live to protect ourselves against many and numerous foes and fears. It is the inherent weaknesses that urge us to seek protection. Did you ever see a weak, puny school boy seek protection from another weak companion or did he run to the strong, dependable, stalwart lad who was able to assume the responsibility that he himself could not? Why do people buy insurance at all? It is because of an inherent financial weakness. They want—they must have—protection. Yet we agents stand idly by and see them buy inherently weak protection because—well, because we haven't gotten the protection idea."

What Price Insurance

"While the agency we first referred to has been suffering with 'cut-rate cramps' our agency, competing with the same cut-rate companies and even more of them, and operating under the same conditions otherwise, has, during the same period more than doubled its automobile business, and 90 percent of that business is the so-called small risk account. We think, therefore, that we are on the right track. Our experience

Hits Cut Rates



ROSS B. STRIMPLE

Mr. Strimple is a member of the W. W. Reed & Son Agency at Kent, O. He believes in sound insurance salesmanship.

proves it. What price insurance? Only one price—the price of sound and serviceable protection."

Two Important Decisions Are Laid Down

Two interesting and important rulings on awards of appraisers and amount recoverable by lessee on improvements made by him were laid down by the Minnesota supreme court in the case of Harrington vs. Agricultural. On the first point the court held that even when the appraisers act in good faith their award may be so excessive as to amount to a fraud and therefore may be set aside by the court. On the second point the court holds that where a lessee makes improvements that become the property of the landlord on the termination of the lease, the insurable interest of the lessee is the value of the remaining use under the lease, and not the sound value of the improvements. Both rulings are of the utmost importance from the standpoint of equity.

Appraisers Awarded Sound Value

Harrington in 1920 leased a store property in Minneapolis for a term ending in 1929. The improvements were insured with the Agricultural and in 1927 a loss occurred. The appraisers brought in an award of \$11,304.52, the whole sound value. The company contended that the lessee's interest did not exceed \$3,500. The assured contended that the award was final and could not be questioned. The lower courts agreed with this view. The supreme court in reversing the case quoted various authorities as follows:

Authorities on Rule

Where the award is so grossly inadequate or excessive as to be in effect a fraud, it may be vacated. Kaufman vs. Insurance Company, 172 Minnesota, 314. Where the referees had no proper appreciation of the kind of property with which they were dealing, or the damage done it, for such reasons alone an award may be so grossly inadequate or exces-

sive as to be the equivalent of fraud. Baldinger vs. Camden, 121 Minnesota, 160. Although the appraisers of a fire loss must determine what property was covered in order to arrive at the amount of damage, the right of the insurer to have a judicial determination of liability includes the right to a judicial determination of the coverage of the policy. Itasca Paper Company vs. Niagara, 175 Minnesota, 73.

Confined to Indemnity

On the question of valuation the court said: "To rule that an insured may recover regardless of the value of his interest would require, in our judgment, an erroneous construction and application of the insurance contract. It would remove it from the class of contracts for indemnity against loss to which agreements to insure must be confined to prevent their being gambling contracts and so against public policy. It would change the contract from one of pure indemnity into one for gain. . . . It is not a permissible purpose of insurance contracts to provide for any such gain in addition to indemnity for actual loss."

"It is plausible but not convincing," said the court, "to argue that the loss or damage which is the only thing insured against is, according to the policies, to be estimated according to the actual value of the insured property at the time when such loss or damage happens. That means nothing more in a case of this kind than that the actual value of the property is a factor in determining loss. It is not controlling simply because the contract is not for profit but for indemnity only. It is to compensate only for loss sustained. Every implication must be against any undertaking to pay a premium or profit in addition."

Shortly after the Minnesota decision

Memoranda as to Ownership of Expirations

The Cobb, Miller & Stebbins service bulletin of Denver gives the following comment on ownership of expirations:

"We often hear reference made to the memorandum prepared by the National Association of Insurance Agents in April, 1927, regarding the principle of agency ownership of expirations, and strange as it may seem, it is more often referred to by local agents who are not members of the National association than otherwise.

"As a matter of information we are printing a portion of the memorandum below:

"The right of an insurance agent to what is commonly known as expiration information, that is, the data concerning the renewal of an insurance policy at expiration, usually arises in either one of two cases.

* * *

"1. When an insurance agent sells his business to a purchaser and turns over to him his expiration register or other record, indicating the dates of the expiration of the business then in force.

"2. Where the relation between an agent and company terminates, either because the agent resigns the company or the company has withdrawn from an agency and appoints a successor.

"The principle involved, as stated by the National Association of Insurance Agents, is that the agent is the owner of these expirations and the information connected therewith, except in cases of fraudulent practice.

* * *

"In so far as the principle is concerned, it is equally applicable in either of the above two cases, with the proviso always in mind that the title of the agent in the expirations is unencumbered. In order to possess a title unencumbered, the agent must have paid all balances due the company, must be free from all tainted practices in relation to his business and must not be guilty of any unprofessional or unlawful acts in connection with the change of status.

was rendered the Kentucky court of appeals passed on the question of recovery by the assured for loss of property not owned by the assured. The Kentucky case is interesting in that three of the justices, ignoring the principles stated in the Minnesota case, filed a dissenting opinion.

In the Kentucky case, National Union Fire vs. Mrs. Lou E. Hall, Mrs. Hall had a deed from her daughter to the property insured, and considered herself the owner. The deed, however, was defective under Kentucky law and hence the title remained in the daughter.

Recovery Is Denied

Mrs. Hall brought suit for the amount of loss on property she did not own and the majority of the court, referring to the long line of decisions on the unconditional and sole ownership clause, denied recovery. The dissenting judges, overlooking the fact that as Mrs. Hall did not own the property she had suffered no loss, contended that inasmuch as she had acted in good faith in insuring the property, she should be paid.

After the fire, when the defect in the deed was discovered, the daughter and her husband executed a new and valid deed conveying the property to Mrs. Hall.

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DETROIT, MICHIGAN

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THE PHOENIX INSURANCE COMPANY
HARTFORD, CONNECTICUT

INSURANCE STOCK QUOTATIONS

By H. W. Cornelius & Co., 105 South La Salle St., Chicago, as of Aug. 11

Stock	Par	Bid	Asked	Div. per Share
Aetna Cas & S.	10	135	140	1.60
Aetna Fire.....	10	60	62	2.00
Aetna Life.....	10	80	35	1.20
Agricultural	25	115	125	4.00
Allemannia	10	175	..	12.50
Amer. Alliance..	10	27	30	1.60
Amer. Equitable..	5	18	21	1.20
American	5	19	20 1/2	1.00
Amer. Reserve..	10	47	51	4.00
Amer. Surety....	25	112	116	6.00
Automobile	10	39	42	1.20
Balto. American.	5	14	15	.80
Bankers & Ship.	25	105	120	6.00
Boston	100	640	675	16.00
Brooklyn	5	17	20	1.20
Carolina	10	27	30	1.50
Central West Cas.	50	50	57	2.00
City of N. Y....	100	510	540	16.00
Constitu. Indem.	10	10	12	.50
Continental Cas.	10	35 1/2	37 1/2	1.60
Continental	10	53	55	2.40
Detroit Fid. & S.	50	30	40	4.00
Detroit Natl....	25	24	30	1.25
Federal, N. J....	10	64	69	2.00
Fidelity & Dep.	50	166	170	9.00
Fidelity-Phenix..	10	62	64	2.60
Fire Association..	10	34	36	2.50
Fireman's Fund..	25	95	97	5.00
Firemen's	10	33	35	2.20
Franklin	5	31	34	..
Glen Falls.....	10	52	56	1.60
Globe & Rutgers	100	945	975	24.00
Great Am. Indem.	10	28	32	..
Great American..	10	30	32	1.60
Hanover	10	40	42	1.60
Harmonia	10	27	30	1.50
Hartford Fire...	10	73	75	2.00
Htfd. St. Boiler..	10	68	70	1.60
Home, N. Y....	10	41	43	2.00
Home Fire Sec..	10	18 1/2	20 1/2	1.00
Homestead	10	19	21	1.00
Import. & Exp..	25	47	52	4.00
Independ. Indem.	5	9	11	..
Independ. Fire..	5	7	9	..
Ins. Co. of N. A.	10	68	70	2.00
Knickerbocker ..	5	25	29	1.50
Lincoln, N. Y....	10	27	32	2.40
Mass. Bonding..	25	100	105	4.00
Merchants, Com.	10	78	82	..
Merchants, Pfd.	100	110	..	7.00
Merch. & Mfrs.	5	16	19	1.00
Metropolitan, Ill.	10	8	11	1.00
National Cas....	10	18	20	1.20
National Conn..	10	73	75	2.00
National Liberty ..	5	10	11 1/2	.50
National Union..	100	230	240	12.00
National Surety..	50	68	70	5.00
New Century Cas.	50	75	..	6.00
New Hampshire..	10	55	60	1.60
New Jersey	20	45	..	2.50
New York Fire..	5	17	20	1.20
Northern, N. Y....	25	89	96	4.00
North River....	10	52	55	2.00
N. W. National..	25	115	125	*5.00
Occidental	10	21	23	..
Philadel. Natl..	10	17	22	1.20
Phoenix, Conn..	10	83	86	2.00
Preferred Acci..	20	56	60	3.00
Prov. Wash....	10	59	62	2.20
Reliance	10	15	16 1/2	1.20
Republic	10	20	24	2.00
Rhode Island ..	10	28	33	1.20
Rochester-Amer..	10	47	50	1.00
Rossia	10	29	31	2.20
Security, Conn..	10	34	38	1.40
Springfield	25	132	138	4.50
St. Paul F. & M.	25	185	195	*5.00
Stuyvesant	25	52	60	2.00
Sun Life.....	100	2100	2200	25.00
Travelers	100	1300	1340	24.00
U. S. Casualty ..	25	63	68	4.00
Westchester	10	53	56	2.50

*Extra dividend paid.

Fire Chiefs Meet in Winnipeg

Nearly 2,000 fire chiefs, fire commissioners and fire marshals from all parts of the United States and Canada are expected to attend the annual convention of the International Association of Fire Chiefs in Winnipeg Sept. 9-12. Addresses on various subjects of interest, such as hospital hazards, oil fires, demolition, building inspection, salvage and arson will be given.

Globe Underwriters Exchange

Reduction of capital from \$10,000,000 to \$5,000,000, recommended by the directors, has been voted by stockholders of the Globe Underwriters Exchange. The difference is being transferred to surplus. The necessary action to effect the capital reduction has been completed and the company now has paid in capital \$5,000,000 and paid in surplus \$5,500,000.

The American State of Indianapolis, with capital of \$200,000, has been licensed in Illinois to write automobile insurance.

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C. S. KUHN, Vice President

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E. C. FRENCH, Vice President

VIEWED FROM NEW YORK

By GEORGE A. WATSON

JOINS NATIONAL UNDERWRITER

Robert B. Mitchell, a Williams College graduate, who has had five years' newspaper experience, has joined THE NATIONAL UNDERWRITER as correspondent in its New York bureau. After graduating from college, Mr. Mitchell was a reporter for one year on the Troy, N. Y., "World," resigning from that position to serve four years in the news department of the New Orleans "Times-Picayune," one of the leading newspapers of the south. His residence is in Jackson Heights, L. I.

* * *

AGENCY QUALIFICATION LAWS

Of the 48 states the following have in recent years enacted qualification laws governing the licensing of agents: Alabama, Arkansas, California, Connecticut, Florida, Indiana, Kansas, Maine, Massachusetts, Minnesota, Missouri, New Hampshire, Ohio, Oregon, Pennsylvania, Rhode Island, Tennessee, Virginia and Washington. The statutes of Connecticut, Florida and Kansas, closely approach in their provisions the qualification law suggested by the National Association of Insurance Agents, and consistently advocated by members of that body. The association has ever maintained that in order to secure a license as an agent, the applicant should be soundly versed in the fundamentals of the business, in order to write the proper coverage for his client and at the same time deal fairly with the company he represents, or desires to act for. The great majority of the agents who make

the writing of insurance their major interest, favor the enactment of a statute that compels an applicant to evidence his knowledge of the business before his being granted a license, maintaining that through such procedure there would be eliminated from the field ranks the horde of part-timers who mix insurance with the sale of groceries, tobacco or what not, and those who enter the agency ranks only until such time as they can make a connection in some other line. They have no permanent interest in the business, by no process of reasoning are they equipped to properly safeguard risks entrusted to their care.

Objection to the adoption of sound qualification laws, as Commissioner Yenter of Iowa recently stated, comes mainly from the type of agents who do not take the time "to read, analyze and digest the provisions of measures of such character," and, he might have added, who in the majority of cases are incapable of doing so.

A suggested uniform agency qualification law is printed by the National Association of Insurance Agents, 80 Maiden Lane, New York, with recommendations approved by the National Convention of Insurance Commissioners. The draft of the suggested law containing the amendment is about the same as promulgated by the National association. The National Association of Insurance Agents presented an original draft and then in the final analysis sent out the bill with the suggested amendments by the commissioners.

CHANGES IN THE FIELD

McDonald Is With Giberson

Mountain Department State Agent of the Firemen's Group Goes to General Agency

DENVER, Aug. 13.—G. W. McDonald, who has been state agent for the Firemen's group here for years, has been appointed state agent for the Citizens, Delaware Underwriters, Westchester and American & Foreign, it was announced today by H. P. Giberson, manager of these companies for the mountain department. Mr. McDonald's new position will take him over Colorado, Wyoming and New Mexico.

James C. Young

The Georgia Home has appointed James C. Young special agent for Virginia, West Virginia and North Carolina to succeed his uncle, James M.

Young, who died recently and who had been representing the company in that territory for 30 years. Mr. Young had been assisting his uncle for the past year supervising North Carolina with headquarters at Greensboro. His headquarters in the future will be at Richmond. He is a son of John P. Young, Kentucky state agent for the New York Underwriters. The Georgia Home is now one of the Home of New York group, having been acquired by that company a year or two ago.

B. S. Cummings

B. S. Cummings, formerly North Carolina special agent for the Dixie, is now supervising the state for the Automobile. Mr. Cummings gave up the special agency of the Dixie when that company was acquired by the American of Newark and its field forces were consolidated with those of the American. As special agent of the Automobile, he succeeds Robert W. Russell, resigned.

Advantages Cited for New Aircraft Form

The new standard form aircraft and motor vehicle property damage policy, a revised and broadened coverage developed by the Explosion Conference, has just become effective. H. D. Sammis, manager automobile department Fireman's Fund, says this form introduces uniformity and offers nine advantages:

1. It provides for low, attractive estimates in covering mortgage interests of building and loan associations, banks, trust companies, etc., a source of business which is growing rapidly in importance following organized demands for aircraft cover as a condition requisite to loans;
2. risks located within a mile of airports are no longer excluded and the new schedule is broadened to include property on air fields;
3. the policy still permits blanketing of building and

contents;

4. it fills the fire coverage gap caused by operation of any fallen building clause as a result of an aircraft crash;
5. it is construed to protect against damage caused by all types of aircraft, such as motor propelled heavier-than-air planes, dirigibles and gliders;
6. coverage is continued against damage resulting from falling objects;
7. a clear cut policy approved by the conferences;
8. 100 percent coverage in place of the deductible clause in protection of building and contents against damage by motor vehicles;
9. the new policy has been broadened to provide cover when declared on sidewalks, paving, curbing, driveways, fences, signs, posts, outdoor statuary, fountains, lawns, etc., and other property outside the building walls, excluding loss or damage by motor vehicles.



In connection with certain bonds, it is customary for surety companies to require collateral security equal in value to the amount of the bond. What is the advantage of a bond in such a case; why not deposit the security instead of a bond, and save the premium?

1. Usually, such bonds are required by law and the official requiring surety has no alternative; he is not permitted to accept any security other than a bond.

2. Where security other than a bond is acceptable, the type of security offered by the principal may not be acceptable under the law, but might meet the requirements of a surety company.

3. Generally, when liability is terminated collateral is returned to the owner with far more dispatch and ease by a surety company than it is when it is deposited with a court or political unit when, frequently, much red tape is involved.

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CASUALTY NEW YORK SURETY**

We'll gladly answer your questions



Tightening Up

During every lull in general business, we note a strong desire on the part of property owners to tighten up on routine phases of property administration. Insurance is one of these. Prices of building materials and of many types of equipment have fluctuated more within the past six months than they had during the previous three or four years. Tightening up on insurance protection demands first of all a precise determination of values—an American Appraisal. Our representatives are glad to cooperate with you in assuring the utmost in protection for mutual clients.

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THE NATIONAL UNDERWRITER

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Fidelity and Surety Acquisition Cost Body

TAKING sharp exception to the blanket arraignment of the fidelity and surety acquisition cost conference, in an article appearing in THE NATIONAL UNDERWRITER, and particularly to the characterization of the association in its present state as being "a farcical body," an official on one of the important companies contends that in spite of its admitted many shortcomings, the conference has performed real service to the business and may yet carry to successful completion the initial plans of its sponsors. Specifically, he points out that since the launching of the body the top commission paid for any business has not exceeded 30 percent, whereas formerly the range was as high as 45 percent, and the drift was pronouncedly upward. By holding commissions to the former figure, he maintains, had the conference achieved no other result, its creation would have been fully justified. In addition, however, the officer points out, the situation in New York City, which produces not less than 25 percent of the total fidelity and surety premiums of the country, has been brought to a state of high satisfaction, and few complaints of any nature are heard from it.

Admitting freely the truth of these statements, THE NATIONAL UNDERWRITER yet contends that the acquisition cost conference has fallen far short of its possibilities, a result attributable to certain offices that seemingly are indisposed to take action benefiting the business as a whole, and are intent only on moving along lines that it is figured will insure to their particular interest rather

than to the general good. The fine results attained in New York City, where the broker element exists in far larger degree than elsewhere and hence the general problems surrounding business production are more numerous and complex, should serve as an inspiration to further effort elsewhere. Little has been accomplished in Chicago, that stormy petrel center of casualty and surety interests, though managerial and agency committees have labored on the problem time and time again.

That any situation, however serious, can be worked out to a satisfactory conclusion, if a sincere effort is put forth to that end by all concerned, has been demonstrated in the underwriting field time and time again. If instead of "pointing with pride" to what has been done in New York City and in holding within bounds commission rates the country over, the fidelity and surety conference earnestly endeavored to carry its task to completion, the result would be one of inestimable benefit to the institution of insurance.

THE NATIONAL UNDERWRITER has never questioned the sincerity of the majority members of the fidelity and surety acquisition cost conference in their desire to correct improper practices in the procurement of business, nor would it minimize the benefits of what has been accomplished by the body thus far. It regrets, however, that all companies in the organization are not inspired similarly and through their lack of real interest make impossible the carrying out of a complete beneficial program.

Noises and Smells

THE noises and carbon monoxide, with other stenches and gases of our big cities, are no doubt responsible for a large part of the increases in the diseases and higher mortality charged to our speedy mode of living. A campaign is on in eastern cities to eliminate unnecessary and preventable noises and while

nothing has been done towards purifying the air at least the causes for lowered vitality and worn nerves are being detected. Perhaps one reason progress is so slow is that no form of insurance has been found for covering the undoubtedly if undetermined losses arising from noises and smells.

PERSONAL SIDE OF BUSINESS

J. Gilbert Leigh, vice-president of the L. B. Leigh agency of Little Rock, Ark., and one of the leading figures in the American Association of Insurance General Agents, is president of the Little Rock Racing Association, which entered Lieut. Lee Gehlback and the Commandaire plane, "Little Rocket," in the national air derby. Mr. Leigh served with James J. Harrison, vice-president of the Home Life of Arkansas and president of the Little Rock chamber of commerce, as chairman of the festivities welcoming the aviator on his return from Detroit. Purses were presented by the city of Little Rock to the pilot, the Commandaire engineer and the mechanic who serviced the plane in the race.

Seymour H. Crolius, 76, for the last 25 years head of the Crolius Insurance Agency of Milwaukee, died Aug. 10. Mr. Crolius was a member of the Milwaukee Board for 22 years. He went to Milwaukee in 1884. Mr. Crolius was the oldest member of the Milwaukee Y. M. C. A., and its first president.

Frank G. Snyder of the Snyder Bros. General Agency at Louisville, who has been in the hospital for operation for cataract in his eye, is back in the office for the first time since June 25. The operation seemed to have been a success in every respect. Mr. Snyder is now going through the ordeal of becoming adjusted and accustomed to glasses but he feels that his eyesight will be completely restored. He is one of the highly esteemed fire underwriters of his section.

John H. Kenny, for the past 15 years secretary-manager of the Baltimore Association of Fire Underwriters, died there Tuesday after a lingering illness. Mr. Kenny, who was 63 and a native of New Jersey, went to Baltimore from Philadelphia, where he was assistant secretary-manager of the underwriters association and a founder of the Insurance Society. He was a Blue Goose, a Mason and active in Rotary club. Carl Wheelock has been appointed acting secretary-manager.

Alfred W. Fiebig, state agent for the Milwaukee Mechanics in Kansas and Oklahoma, made a business trip to Chicago and Milwaukee during the week. He made the trip from Oklahoma City to Chicago by airplane, leaving the former city at 8 a. m. Aug. 1 and arriving in the latter city at 4 p. m.

Paul B. Shawen, assistant secretary of the Kountz, Stieg & Whitaker Company agency, Toledo, O., suffered a broken neck a few days ago while diving. Mr. Shawen was at one time connected with the Ohio Inspection Bureau in Columbus.

John M. Wylie, Jr., superintendent of agencies in Montana for the Springfield Fire & Marine and vice-president of the Montana Special Agents Association, was married recently to Miss Ruth Williams of Butte.

The ceremony took place in Missoula three weeks ago, and after a honeymoon through Glacier National Park, Mr. and Mrs. Wylie have returned to Butte, where they will make their residence.

Victor Roth, president of the Security of New Haven, plans to sail for Europe Aug. 16. He will be accompanied by Mrs. Roth and by T. A. Manning, a prominent general agent of Dallas, and a long time friend.

James B. Wallace, Jr., is now connected with the Carl Corwin agency at 220 Sansome street, San Francisco. He is 19 years old and has had a second year at the University of Arizona. Last year he was employed with Shea & Mc-

Cord, one of the large agencies of Kansas City, Mo. He is a son of James B. Wallace, well known Kansas City local agent, who is secretary of the Missouri Association of Insurance Agents.

Linn S. Kidd, well known local agent of Brazil, Ind., has been made chairman of the Fifth Congressional district by the Republican party. He received the unanimous endorsement of the Fifth district committee.

Thomas G. Burch of the Burch, Hodges, Stone agency, Martinsville, Va., won the Democratic nomination for Congress in the Fifth Virginia district last week in a primary contest, defeating Joseph Whitehead, incumbent. Nomination is practically equivalent to election.

C. W. Bitting of the Bitting, Foote & Woodard agency, Wichita, father-in-law of C. K. Foote, president of the Kansas Association of Insurance Agents, celebrated his 50th wedding anniversary Aug. 9. Mr. and Mrs. Bitting were married in Wichita and have lived there since.

William B. Joyce, chairman National Surety, is featured in the August "Readers Digest" as the donor of \$20 to pay for a subscription for a blind reader to the "Readers Digest" Braille edition. Mr. Joyce made the first contribution to the magazine's appeal for funds in behalf of the blind.

Secretary C. M. Martindale of the Home has returned to New York after a few days' business visit in Chicago.

Bernard A. Grob, vice-president of the Central Fire of Baltimore, on his 25th anniversary was presented with a silver fruit bowl on behalf of the officers and directors. The employees presented him with two silver candle sticks and a bouquet of roses. The presentation was made with an appropriate address by President Charles H. Roloson, Jr.

Joseph H. Laflamme of Manchester, N. H., one of the best known local agents in New Hampshire and an active worker in association affairs, has announced his candidacy for member of the governor's council.

Among the candidates for political office in California this year in whom the insurance business is interested is State Senator Tallant Tubbs of San Francisco, who is a candidate for lieutenant governor.

Senator Tubbs is a member of one of the old and prominent families of the Bay City and brings to his political duties the prestige of an honored pioneer name. Elected to the legislature in 1924 he has served in the 1925, '27 and '29 sessions. As chairman of the insurance committee of the senate he has been eminently fair to the insurance interests. In his candidacy for lieutenant governor he is said to be receiving considerable support from the insurance fraternity.

W. Tom Winn, secretary-treasurer of the Smith-Winn Company, Atlanta local agency, who died recently, was formerly a member of the legislature and served as county commissioner for four years. Mr. Winn died suddenly at the age of 49. He was active in the work of several business promoting organizations and in fraternal life.

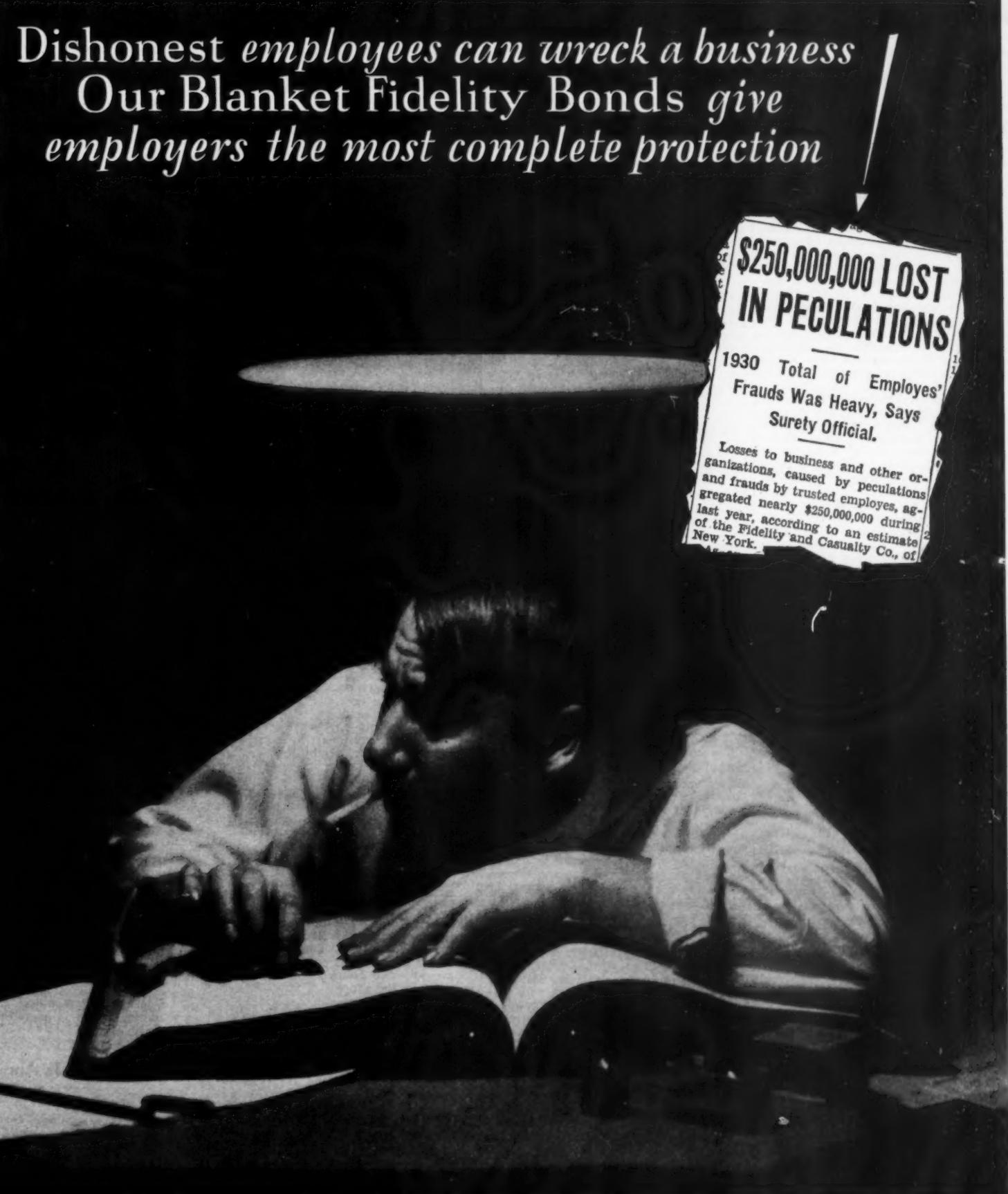
United States Manager Hart Darling-ton of the Norwich Union Fire was at Detroit Friday, meeting General Manager Lees from the home office and Canadian Manager Laidlaw. Mr. Lees has been on a trip through Canada and the United States, arriving in June. He will sail in a few days for his home.

Dishonest *employees can wreck a business*
 Our Blanket Fidelity Bonds give
employers the most complete protection

\$250,000,000 LOST
 IN PECULATIONS

1930 Total of Employees'
 Frauds Was Heavy, Says
 Surety Official.

Losses to business and other organizations, caused by peculations and frauds by trusted employees, aggregated nearly \$250,000,000 during last year, according to an estimate of the Fidelity and Casualty Co., of New York.



The AMERICA FORE GROUP of Insurance Companies
 THE CONTINENTAL INSURANCE COMPANY FIDELITY-PHENIX FIRE INSURANCE COMPANY NIAGARA FIRE INSURANCE COMPANY
 AMERICAN EAGLE FIRE INSURANCE COMPANY FIRST AMERICAN FIRE INSURANCE COMPANY MARYLAND INSURANCE COMPANY OF DELAWARE

Eighty Maiden Lane,

PAUL L. HAID, President

New York, N.Y.

THE FIDELITY AND CASUALTY COMPANY
 ERNEST STURM, Chairman of the Board
 WADE FETZER, President

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTRÉAL

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

West Virginia Rates Reduced

Commissioner Lawson Will Seek Further Reductions Next Year if Experience Justifies It

Rate reductions for West Virginia, which Commissioner Lawson advocated in his address before the insurance agents of that state early in June, have in part been authorized. After a conference with Manager T. B. Sellers and State Superintendent E. V. King of the West Virginia Inspection Bureau, Commissioner Lawson announced an agreement whereby owners of dwelling houses in first to seventh class towns in that state would receive insurance rate benefactions.

In his address before the West Virginia Association of Insurance Agents, Commissioner Lawson pointed out that the legislature had recently provided the insurance department with authority to order rate reductions and compel them by mandamus if necessary. He further contended that the West Virginia experience justified reductions and he urged that the companies institute reductions voluntarily. He said that West Virginia did not protest the action of the companies in 1927 in increasing rates and it would be fair for companies to reduce them without protest now that reduction seemed justified.

Ten Percent Reduction

Under the agreement a reduction of approximately 10 percent in the annual rate on all dwellings in seventh class towns will be instituted Aug. 16.

There has also been a modification of the protection requirements in towns of classes 1 to 6. Dwellings located beyond the present prescribed distance from hydrants and fire stations will receive much more favorable rate treatment.

Mr. Lawson also announced that he had secured a much broader form of coverage for policyholders on all dwelling property of one or two families by the inclusion, without charge, of inherent explosion coverage in the fire policies on this class.

If the loss ratio for 1930 is as favorable as Mr. Lawson claims it is for 1929, the commissioner reports that the inspection bureau officials have agreed to put into effect next year further reductions in rate covering a much wider range of property. He urges residents of West Virginia to keep fire losses down.

Plan for Fire School

Arrangements are being made for a fire school at Ohio State University Sept. 15-19, under the auspices of the Ohio Inspection Bureau, State Fire Marshal Ray R. Gill, the Ohio Fire Chiefs Association, the Ohio Municipal League and the political science department of Ohio State University. The school is to serve as a clearing house for developments in fire fighting. It is hoped that fully 300 persons will attend.

Plan for Blue Goose Outing

Preparations are being completed for the annual Cincinnati party of the Ohio pond of the Blue Goose at Col. Cody's farm Sept. 3. A business meeting will be held the night before at the Gibson hotel.

Considerable interest is being shown in the campaign of the Ohio pond to elect Arthur Lohmeyer grand keeper of the golden goose egg at the grand nest meeting in September. The committee in charge is greatly encouraged over

the replies being received from other ponds. Mr. Lohmeyer's personality, his position as state agent for the Aetna and his attendance at previous grand nest meetings have given him a wide acquaintanceship in Blue Goose circles.

The Ohio Fire Underwriters Association will hold its opening meeting for the fall at Cincinnati Sept. 3 in connection with the Blue Goose outing.

Engineers Visit Portsmouth

On invitation of the Manufacturers Association of Portsmouth, Ohio, Engineers Board and Hopkins of the National Fire Protection Association spent several days there. Investigation was carried out under the supervision of the city manager. Suggestions were made for reducing the city's fire hazards and losses.

Federation's Membership Drive

A campaign for new members, both companies and agents, has been launched by the Ohio Insurance Federation. Executive Secretary Homer Trantham of Columbus was in Cincinnati a few days ago in company with Walter Belson of Detroit, assistant secretary of the Insurance Federation of America. They called on B. G. Dawes, Jr., of the Eu-

reka-Security Fire, president of the Ohio Federation, and discussed the campaign with him. It is planned to carry the canvass for new members into nearly every city of the state.

Many Hazards Uncorrected

The Fire Prevention Association of Ohio has furnished the chambers of commerce and the chiefs of the fire departments in Ashtabula, Hamilton and Zanesville, and also certified to the state fire marshal, reports of the fire inspections held in those cities within the last few months, together with a list of risks which have failed to correct the hazards found in the inspections. Up to the time the follow-up system closed, only 44 percent of the recommendations made in Ashtabula had been complied with; 44 per cent in Hamilton and 55 percent in Zanesville. In each instance the inspection was made on the request of the local chamber of commerce.

Two Chairmen Named

Dennis C. Smith of the Fidelity-Phoenix has been appointed chairman of the farm committee of the Fire Prevention Association of Ohio. R. S. Tidrick of the Springfield has been made chairman of the advertising committee.

Ohio Notes

Glen Schrader, Springfield, O., local agent, died in a Greenville hospital as a result of injuries received when he was gored by a bull while vacationing on a farm near there.

CENTRAL WESTERN STATES

Michigan Meet Well Planned

Program Committee Fulfils Obligation to Members in Arranging Valuable Features, Forceful Speakers

The program for the annual convention of the Michigan Association of Insurance Agents represents weeks of intelligent planning. Instead of picking speakers at random, the program committee prepared a schedule of topics to develop the theme of the meeting, "Business Building," and then selected men to present the ideas who were especially qualified through knowledge and experience. Then the business of pledging the scheduled speakers to appear at the convention, which will be held at Port Huron, Sept. 3-4, was disposed of without delay.

The Michigan association is proud of its reputation of presenting valuable and interesting programs. Officers feel their obligation to provide speakers who justify agents throughout the state in spending the time and money to make the trip. This year's program committee, consisting of J. Alfred Grow and George Brown of Detroit and J. Gordon Moore of Port Huron, was no exception and they have prepared a program which is so attractive to agents that it is expected to draw an unprecedented attendance.

The entire facilities of Gratiot Inn at Port Huron are reserved for the Michigan association. A smaller hotel nearby and a number of summer cottages have also been reserved. Reservations should be made through Harold A. McMartin of the Wright, Hoyt & Co. agency, Port Huron.

Des Moines Firms Merge

The Ellis & Kraetsch Company, general agents of Des Moines, and the E. M. McKinney Company of that city, have consolidated under the title of Ellis & McKinney Company. More than 1,200 local agents in Iowa will be served

through this organization, according to the announcement.

L. E. Ellis, who has been in the insurance business in Iowa for more than 35 years, conducting one of Iowa's oldest and largest agencies, is president of the combined plant. E. M. McKinney becomes vice-president; George A. Kraetsch, treasurer, and Otto F. Rasmussen, secretary.

James A. Slater and H. G. Zimmerman continue to serve the agents, while Mr. McKinney plans to spend much time in the field.

North River Gets 1931 Meet

North River, Mich., has been selected for the 1931 convention of the Upper Peninsula regional meeting of the Michigan Association of Insurance Agents. The invitation was extended by Guy M. Cox, of the First National Insurance Agency, Iron River, during the 1930 convention of Upper Peninsula agents at Ironwood. The Ironwood meeting was featured by the address of G. Leo Weadock, president Michigan Association of Insurance Agents.

Insurance agents of Iron River, including Harry D. Paulsen, George Hauck and Lawrence Harris, are planning to arrange for a complete inspection of Iron River during the 1931 convention in an attempt to secure a reduction of insurance rates in that city.

Mendelsohn Is Reappointed

Paxton Mendelsohn, who has served several terms as chairman of the fire prevention committee of the Detroit board of commerce, has been reappointed to this post for another year. Under Mr. Mendelsohn the committee has gained national recognition, two years ago winning the grand prize for fire prevention activities offered by the United States Chamber of Commerce.

Illinois Fire Warden's Power

Fire wardens regularly employed in the Illinois department of conservation have the authority to enforce provisions

of state laws penalizing the intentional or careless setting on fire of woods, prairies or other grounds, according to an opinion of Attorney General Carlstrom, given L. B. Springer, superintendent of the division of forestry.

Cut Traveling to Reduce Expenses

According to company orders, a number of Indiana field men for fire companies are curtailing their traveling this month to reduce expenses.

Indiana Notes

J. M. Havens, local agent at Plainfield, Ind., has opened a new office building.

The H. C. Baldwin Agency of Indianapolis has been incorporated. Directors are Harry C. Baldwin, Zulu Sullenger and Theodore J. VanGestal.

Herman L. Winters, special agent of the America Fore companies in northeastern Ohio, is spending his vacation with his father, an adjuster, at Danville, Ind.

News has been received at Elwood, Ind., of the death of George P. Jenkins, well known insurance agent at Palm Beach, Cal. The body was returned to Elwood, his former home, for burial.

High wind at Terre Haute, Ind., Saturday blew down a part of the wall left standing by the fire which wrecked the St. Benedict's Catholic church two weeks ago. Opinion had been divided as to whether the wall could be salvaged but the wind settled the question.

Chas. A. Woerner, Sr., rating department deputy of the Indiana insurance department, is receiving the sympathy of friends because of the sudden death of his daughter, Miss Myrtle Frieda Woerner. Chas. A. Woerner, Jr., a son of Mr. Woerner, is Indiana special agent of the Fidelity-Phoenix.

News of States in the Northwest

Duluth Agents Are Hopeful

Declare the Drouth Has Not Affected Business in Their Particular Section

DULUTH, MINN., Aug. 13.—While northeastern Minnesota and some of the other sections have experienced a record breaking heat wave and consequent drouth, the situation in this section is not considered serious. During the last three weeks there has not been any rainfall but prior to that there was sufficient to offset any serious crop damage. So far as farm business is concerned, there is comparatively little in this part of the state. Agents say that the drouth has not affected other lines. While premiums are off, local agents say they are in better shape than those in many other parts of the country.

Wisconsin Date Is Announced

Agents of State Will Meet in Milwaukee October 28—Wisconsin Insurance Day Follows Immediately

The Wisconsin Association of Insurance Agents will hold its annual convention in Milwaukee, Oct. 28. The convention will be a one-day session and will be held the day before Wisconsin Insurance Day to enable the agents, in addition to getting their own special talks, to listen to the splendid program being arranged for Wisconsin Insurance Day.

Speakers for the agents' convention have not yet been determined. According to Joseph G. Grundle, secretary, the program will be one of a business-getting nature with special stress on the

LOYALTY GROUP

JANUARY 1, 1930 STATEMENTS

ASSETS		LIABILITIES		CAPITAL		NET SURPLUS		SURPLUS POLICYHOLDERS	
\$60,811,870		\$14,495,225		\$18,777,000		\$27,539,645		\$46,316,645	
HENRY M. GRATZ, President A. H. HASSINGER, Vice-President		NEAL BASSETT, Chairman of Board WELLS T. BASSETT, Vice-President						JOHN KAY, Vice-President ARCHIBALD KEMP, 2d Vice-Pres't	
THE GIRARD F. & M. INSURANCE CO.									
\$ 6,252,740		\$ 3,401,657		\$ 1,000,000		\$ 1,851,083		\$ 2,851,083	
NEAL BASSETT, President A. H. HASSINGER, Vice-President		WELLS T. BASSETT, Vice-President						JOHN KAY, Vice-President ARCHIBALD KEMP, 2d Vice-Pres't	
MECHANICS INSURANCE CO.									
\$ 5,078,813		\$ 3,335,593		\$ 600,000		\$ 1,143,219		\$ 1,743,219	
NEAL BASSETT, President A. H. HASSINGER, Vice-President		WELLS T. BASSETT, Vice-President						JOHN KAY, Vice-President ARCHIBALD KEMP, 2d Vice-Pres't	
NATIONAL - BEN FRANKLIN FIRE INS. CO.									
\$ 5,233,116		\$ 3,070,630		\$ 1,000,000		\$ 1,162,486		\$ 2,162,486	
NEAL BASSETT, President A. H. HASSINGER, Vice-President		WELLS T. BASSETT, Vice-President						JOHN KAY, Vice-President ARCHIBALD KEMP, 2d Vice-Pres't	
SUPERIOR FIRE INSURANCE CO.									
\$ 5,073,876		\$ 3,061,200		\$ 1,000,000		\$ 1,012,676		\$ 2,012,676	
W. E. WOLLAEGER, President A. H. HASSINGER, Vice-President		NEAL BASSETT, Chairman of Board WELLS T. BASSETT, Vice-President						JOHN KAY, Vice-President ARCHIBALD KEMP, 2d Vice-Pres't	
CONCORDIA FIRE INSURANCE CO.									
\$ 5,564,987		\$ 3,078,063		\$ 1,000,000		\$ 1,486,923		\$ 2,486,923	
CHARLES L. JACKMAN, President JOHN KAY, Vice-President	A. H. HASSINGER, Vice-President	WELLS T. BASSETT, Vice-President						NEAL BASSETT, Vice-President ARCHIBALD KEMP, 2d Vice-Pres't	
CAPITAL FIRE INSURANCE CO.									
\$ 652,382		\$ 13,200		\$ 300,000		\$ 339,182		\$ 639,182	
CHAS. H. YUNKER, President A. H. HASSINGER, Vice-President		NEAL BASSETT, Chairman of Board WELLS T. BASSETT, Vice-President						JOHN KAY, Vice-President ARCHIBALD KEMP, 2d Vice-Pres't	
MILWAUKEE MECHANICS' INSURANCE CO.									
\$13,045,126		\$ 7,886,590		\$ 2,000,000		\$ 3,158,536		\$ 5,158,536	
J. SCOFIELD ROWE, President J. C. HEYER, Vice-President JOHN KAY, Vice-President	EARL R. HUNT, Vice-President A. H. HASSINGER, Vice-President	W.M. P. STANTON, Vice-President WELLS T. BASSETT, Vice-President						S. WM. BURTON, Vice-President S. K. MCCLURE, Vice-President WELLS T. BASSETT, Vice-President	
METROPOLITAN CASUALTY INSURANCE CO.									
\$14,945,383		\$10,320,195		\$ 1,500,000		\$ 3,125,187		\$ 4,625,187	
C. W. FEIGENSPAN, President E. C. FEIGENSPAN, Vice-President A. H. HASSINGER, Vice-President		NEAL BASSETT, Chairman of Board						W. VAN WINKLE, Vice-President JOHN KAY, Vice-President WELLS T. BASSETT, Vice-President	
COMMERCIAL CASUALTY INSURANCE CO.									
\$14,741,017		\$ 9,712,813		\$ 2,500,000		\$ 2,528,203		\$ 5,028,203	
TOTAL OF ASSETS		TOTAL OF LIABILITIES		TOTAL NET PREMIUMS					
\$131,779,040*		\$58,562,251		\$49,400,938					

* Capital and Surplus of affiliated companies owned by Firemen's, appear in gross assets of both.

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

state fund and mutual competition. The membership drive of the Wisconsin association is progressing rapidly. President Alvin W. Fox has brought in 15 new members in the last two weeks. One of the encouraging features is that President Fox is opening up new territory through the state and is locating members in cities which have not been represented in the association.

Robert J. Pittelkow of the Charles Pittelkow agency, Milwaukee, chairman of the membership committee of the Wisconsin association, is concentrating on Milwaukee and expects to line up the non-members in Milwaukee county.

The southern and western part of the state is being handled by Mr. Grindle. He will shortly visit Oconto, Burlington and Jefferson on one trip, and on a second trip will visit Hudson, Spring Valley, New Richmond, Ellsworth and Durand.

Some Interesting Facts on Losses in Wisconsin

MADISON, WIS., Aug. 13.—Loss to farm buildings in Wisconsin as a result of fire, approximated \$4,500,000, in 1929, according to a compilation which has just been made by Commissioner Freedy.

There were 1,182 fires on farms during the past year. The estimated value of building and contents was \$4,311,559. The damage to building and contents was \$3,559,747. The amount of insurance was \$2,468,943. The loss to the farmers, even including the insurance, is upwards of \$2,000,000.

Ashland set the record with only one fire to farm property, but there were 40 in Barron, 41 in Dane, 27 in Marinette, 18 in Lincoln, 14 in Sheboygan, 11 in La Crosse, 10 in Douglas, 36 in Milwaukee, and 14 in Green.

Including the fires which occurred in cities there were 3,716 fires in the state in the past year. Of the total number of fires, 1,692 occurred in dwelling houses, 583 in barns, 237 in garages, 102 in factories, and 204 in stores. There were 20 fires in soft drink parlors, 18 in theaters, 28 in restaurants, 37 in hotels, and 5 in ice houses.

Fire destroyed \$5,000 worth of property of bee houses. It did damage to barns amounting to \$1,751,076. The dwelling loss was \$2,582,810. The report does not disclose just how the fires occurred in the five ice houses but the loss was \$10,252. The loss in the 20 fires in soft drink parlors was \$34,324.

Milwaukee Agents Find No Difficulty on Collections

MILWAUKEE, Aug. 13.—Local agents in Milwaukee are not complaining about the difficulty of collections or the less favorable selling conditions. A number of state agents with headquar-

ters in Milwaukee report that their balances are in as good a condition as last year. One agent stated that his balances are better than they have ever been during the years he has been in the field.

Adjustment bureaus in the Milwaukee district are reporting that they have been busy on windstorm losses this summer, experiencing the most active season in history in the adjustment of losses caused by storms. On the other hand fire losses have been very quiet to date. There have been no losses of consequence lately, they say.

With protracted drought, however, and the increased moral risk, some factors in the fire insurance business locally are fearful that the good record on fire losses which has been made of late will not be kept up. Speedy prosecution of arson cases and vigilance of the fire marshal's office, as well as the fire prevention work carried on through the field are some of the contributing causes which agents are encouraging in an effort to keep fire losses at as low a level as possible.

Gets Frelinghuysen Companies

The American Home and American Constitution of New York have been entered in Wisconsin and will be represented by the Wisconsin General

Agency Corporation of Madison as general agent.

Federation Meeting Postponed

The annual meeting of the Insurance Federation of North Dakota, scheduled to be held at Bismarck Aug. 11-12, has been postponed to Sept. 8-9 because of the death of John P. Tucker, secretary of the federation. O. J. Trimble of Devils Lake, president, announced the postponement.

Dakota Notes

S. H. Olsness, Bob Brenner and Everett La France, all of the state insurance department at Bismarck, attended the annual North Dakota golf tournament at Fargo. Mr. Olsness is commissioner of insurance.

Harold Hopton of Winnipeg, formerly associated with the North Dakota insurance department, accompanied by Mrs. Hopton, visited in Fargo recently en route to Detroit Lakes. Mr. Hopton has been engaged in insurance work in Winnipeg for the past year.

Wisconsin Notes

American Insurance Agency of Milwaukee has been incorporated by L. Zander, H. L. Mount and E. Bleyle and the Reban Insurance Agency, Milwaukee, by S. Herdegen, P. E. Sudd and T. S. Moss.

The McDonald-Ellis Agency of Beloit, Wis., has been incorporated by M. J. McDonald, E. Caskey and J. B. Clark.

IN THE MISSOURI VALLEY

Office Opened at Davenport

Joseph Rice & Co. Put P. C. Depew in Charge of Adjustment Branch to Serve Tri-Cities

DAVENPORT, IA., Aug. 13.—Joseph Rice & Co., independent adjusters with offices in Chicago and Milwaukee, announce the opening of a branch office in the Kahl building in Davenport, in charge of P. C. Depew. The new office will serve the tri-cities, eastern Iowa and northwestern Illinois.

In Business for 15 Years

Joseph Rice, the head of the organization, has been in the adjusting business for the past 15 years, having gained his first claim experience with the Frankfort General. After ten years of operation in Chicago he opened an office in Milwaukee five years ago. He now has a staff of 10 experienced adjusters. Mr. Depew has been in the adjustment business for the past 10 years at Minneapolis. The Rice organization handles all forms of casualty, fire and automobile claims.

Hugh E. Horn of the Horn Investment Company, member of the Wichita Insurers, received the Republican nomination for county treasurer in the primaries last week.

Plans for the Iowa Agents

President Morrison Expects to Have a Registration of 500 at the Forthcoming Convention

President Sam T. Morrison of the Iowa Association of Insurance Agents expects a record crowd at the annual meeting at Iowa City, Aug. 24-26. It is Mr. Morrison's home town and he has set his heart on having a registration of 500. The Hotel Jefferson, which is the convention headquarters, is just about sold out and other hotels are now making registrations. The Iowa legislature meets next year and the local agents are preparing their legislative program carefully. This will be discussed at the meeting. The meeting will be held in the Iowa Memorial Union at state university.

President Morrison says that this will be an agents' convention. Agents only are on the program. They are going to discuss agency problems. William J. Holland, local agent of Iowa City, is secretary; Fred W. Colvin of Sioux City is vice-president. B. B. Hobbs of Keokuk will report for the legislative committee, C. H. Kissick of Albia for the membership committee, John P. Montrose for the fire prevention committee. Howard Burleson of Cedar

Rapids is chairman of the executive committee and will give its report.

Delegates from Sioux City will carry with them an authorized invitation of the Sioux City chamber of commerce for the 1931 convention of the Iowa association.

Hobbs Wins in Kansas

TOPEKA, KAN., Aug. 13.—Charles F. Hobbs will remain as insurance commissioner of Kansas for the next two years. That was made practically certain when he won the Republican nomination last Tuesday over two opponents. Kansas is so strongly Republican that in 40 years the Republican state ticket, as a whole, has always won, even though the governor and some congressmen were Democrats.

Mr. Hobbs has almost a majority and it is believed that when the final votes are counted he will have an actual majority over his two opponents. The contest for commissioner was bitterly waged, the settlement of the fire insurance litigation being the only issue. It was an issue in the gubernatorial campaign also and was one of the causes of the defeat of Clyde M. Reed for a second term.

J. F. Farley of Wichita is the Democratic nominee and Frank Higgins of Independence is the Socialist nominee. Neither had opposition in the primaries.

Strohm Plans Exhibit

John W. Strohm, Iowa state fire marshal, is making elaborate preparations for an exhibit from his department at the State Fair the last week in August. In addition to charts and leaflets showing the work being done in fire prevention, there will be an interesting displaying of posters drawn by school children. Mr. Strohm has emphasized to school superintendents and teachers of the importance of making fire prevention a subject of the deepest concern to children in the public schools and these posters will form an attractive feature of the display.

Omaha Levy Is Voted

The Omaha city council has voted the full fire and police levy of one-half mill, which will raise nearly \$160,000. Chief Cogan has prepared an estimate of \$75,000 needed for new equipment, including two 1,000-gallon pumbers, four small hook and ladder trucks, two new battalion chief's cars, a squad wagon, gas masks, a ton of foamite on reserve, repairs to the fire alarm system to cost \$10,000, including replacing 20 miles of wire, 5,000 feet of hose.

Firemen's Relief Refund Waived

TOPEKA, KAN., Aug. 13.—Payments to the firemen's relief funds in Kansas the past month have just

HANOVER

Don't Forget

Insurance is your best friend.
It Guarantees
Your financial credit—your property—your savings.

With Hanover Protection you need not worry these days.

4,000,000 CAPITAL

\$16,802,949 POLICYHOLDERS' SURPLUS

\$23,703,714 ASSETS

The HANOVER FIRE INSURANCE COMPANY of New York Charles W. Higley, Pres.

brought out that the settlement of the fire insurance rate litigation had saved between \$50,000 and \$60,000 to these funds this year.

In working out the details of the settlement the companies agreed not to demand the refund on the firemen's relief fund or the state fire marshal tax. A refund of the fire marshal's account, amounting to about \$14,000, would just about have wrecked the operations of that department for five or six months.

Hussey Agency Expands

The Hussey Insurance Agency of Topeka, now one of the largest agencies in Kansas, has taken over the entire basement floor of the Farmers Bank building. For some years the agency has occupied a part of this floor but the business has been growing so rapidly that more room was needed.

The Hussey agency was first organized as Bailey Bros. in 1890. The Hussey family, father and two sons, became interested in the agency in 1926.

Recently it purchased two other agencies in Topeka and it also has opened a life insurance department.

Kansas Notes

A. L. Anderson, local agent at Corwin, Kan., was the victim of bank robbers, who escaped with approximately \$1,000. Mr. Anderson and a woman customer were locked in the bank vault.

The Guarantee Title & Trust Company of Wichita, which recently opened an insurance department, has decided to liquidate and its affairs have been turned over to the Kansas banking department.

Iowa Notes

A. J. Baschnagel, for five years cashier of the Ely Trust & Savings Bank, Ely, Ia., has joined the J. R. Baschnagel & Sons agency at Iowa City.

Through the efficiency of the investigation set on foot by John W. Strohm, Iowa state fire marshal, Floyd K. Farnum, Fredericksburg druggist, is now serving a 20-year term in the penitentiary for firing the buildings on his farm. Mark W. Muir, an accomplice, was the state's main witness against Farnum.

STATES OF THE SOUTHWEST

Dallas Association Is Urged

Chamber of Commerce Seeks Companies' Aid in Correcting Bad Situation in Agency Ranks

The subject of rebating, or splitting commissions with assured, was one evil aimed at by the Dallas chamber of commerce, which has sent to fire company executives a pamphlet outlining a plan for an agents' association or exchange in that city. This was discussed at a meeting in July to which many agents were invited by the chamber. Opinion at that time was unanimous that Dallas conditions are intolerable and that an organization to combat them is essential. The principal complaint was on rebating.

Other objects of the proposed organization are the usual ones of fire prevention work, encouraging good underwriting, creating a higher tone in the business and securing better cooperation of all those concerned in fire insurance, and in addition of ending appointments of agents who are not bona fide. It is pointed out that Houston, Beaumont, Galveston, Fort Worth and San Antonio have such exchanges. One of the principal difficulties in Dallas is that many persons have been licensed who are not legitimately in the business, dating from the period when there were entirely too many general agents in the city and licenses were granted to persons who were guilty of practices of a serious character. Income of legitimate agents has been reduced as a result of the excesses, and difficulty with collections this year has brought a crisis with many of them.

Drought Increases Texas Losses

DALLAS, Aug. 13.—The prolonged drought is increasing fire losses in the rural districts and the smaller towns, adjusters report. There has been an increase of 20 percent in residential and barn fires in the rural communities the past 60 days. The same thing holds good in the ranching country.

In the larger cities grass fires are causing many residence losses. More than 100 fires in residences, causing losses of \$350,000 in the past 30 days, have been caused by grass fires.

Rate Raise Threatens Houston

HOUSTON, TEX., Aug. 13.—Threatened with a boost in the city's key rate because of low water pressure, Houston officials are again planning for more wells and an increase in the daily water supply. For the past three summers the city has suffered a shortage of water

during hot weather. In cold weather there is an oversupply, with many wells being shut down. Many of the city's wells need cleaning out to increase their supply, engineers point out.

The city suffered a \$100,000 fire last week when two apartment houses and several community establishments burned. Lack of water pressure was blamed by firemen for the rapid spread of the blaze.

Gin Fires Worry Texans

DALLAS, Aug. 13.—Cotton gin fires are beginning to worry insurance companies in Texas. With the ginning season just beginning three gin fires have been reported where the total loss was around \$85,000. One of the fires was in east Texas, where the ginning is barely started, and the others in southwest Texas, where the season is pretty well under way. Insurance men are predicting when ginning is at its height in the cotton raising sections the gin fire losses will be heavy.

Many of the stock companies have ceased writing cotton gins. One general agent in Dallas, who has perfected a sprinkler system, is writing a good line of this business but will not write it unless the sprinkling system is installed.

Coates & Raines Move Office

Coates & Raines, general agents of Little Rock, Ark., have moved their offices from the Boyle building to 410 Spring street. The officers of the agency are John E. Coates and E. E. Raines.

Haldeman Quits Commission

Horace Haldeman, formerly with the Texas insurance commission, has resigned to go with the Northern at Houston, Tex. Mr. Haldeman was with the commission for two and a half years in the oil division. He will take charge of the oil division in Houston.

Thompson with Western National

John Thompson, formerly with Frank Sparks Agency in Corpus Christi, Tex., has resigned to become special agent for the Western National Fire of San Antonio. Mr. Thompson will make his headquarters in San Antonio.

Texas Notes

George Sellers, now located in San Antonio, Tex., has opened an office with facilities for handling all forms of automobile claims.

Fred W. Eichlitz of George C. Eichlitz & Co., local agents of San Antonio, Tex., died at Long Beach, Cal. The San Antonio Insurance Exchange passed appropriate resolutions on his death.

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IN THE SOUTHERN STATES

State Officials Place Lines

Virginia Insurance Disclosures May Revive Agitation for Establishment of State Fund

RICHMOND, VA., Aug. 13.—Following the recent announcement that five Richmond city councilmen had written more than \$250,000 of fire insurance on city property, it is disclosed that Walker C. Cottrell, chairman of the state prison board, who served on the Chandler fire rate investigating commission several years ago, has placed a large amount of insurance on state property in recent months through the Richmond agency of his brother, R. Stuart Cottrell, with whom he became associated within the past year. In addition to \$200,000 on state highway department buildings, the firm is now carrying \$400,000 on Capitol square buildings and \$35,000 on state penitentiary property. It is also stated that Col. John R. Saunders, attorney general of Virginia and director of state prohibition enforcement, who owns a local agency at Saluda, has a line of \$30,000 on the Capitol block of buildings.

May Increase Sinking Fund

As a result of the local disclosures it was announced that no more city insurance will be parceled out to members of council. It is now proposed that the city's annual appropriation to its fire insurance sinking fund be increased from \$2,500 to \$25,000 to hasten the time when it will be prepared to carry its own insurance.

Agitation of this subject will, it is feared in insurance circles, cause the state sooner or later to embark upon a similar plan. For some years past, repeated attempts have been made to get a bill through the legislature providing a plan for state self-insurance, but they have all met with failure.

Strong Issues Warning About Lake Charles, La.

R. P. Strong, manager Louisiana Rating & Fire Prevention Bureau, has issued a bulletin reporting that the Lake Charles, La., fire department staff has been reduced from 14 to 10 men in the retrenchment program of that city. Even the 14 men, Mr. Strong declares, were inadequate to man the present apparatus.

Under the present arrangement, he reports, firemen are assigned to continue on duty 48 hours, then are off 24 hours. Accordingly at times there is only one man per apparatus on calls. The minimum staff for a town of the classification of Lake Charles, Mr. Strong declares, should be 32 men, and he predicts that the fire loss record of that city will continue to be heavy, especially where congestion of values and large areas predominate.

Drought Hazard Serious

BIRMINGHAM, Aug. 13.—Three months of drought have intensified insurance risks in Alabama as well as Mississippi to such a degree as to cause much concern. Lowered water supply has greatly increased the fire hazard in a number of towns. The Alabama public service commission has ordered water companies at Jacksonville and Boz, Ala., to supply adequate water for fire protection by Oct. 1. Water is being rationed out to residents of Athens, Ala. In many parts of the state road sprinklers are being used to haul water for domestic consumption.

So far there have been no big fire losses, except in school buildings, 34 of these having burned in Alabama since beginning of last school term.

Have Confidence in Florida

Company Officials Concede State's Future Is Assured But Are Concerned Over Bank Losses

Company officials who are interested in Florida's commercial and financial conditions are disquieted over several bank failures that have occurred there recently, supplemented by failure of Miami to meet \$180,000 of its bonds which matured August 1. Miami was regarded as being next to Jacksonville in stability. The city, it is understood, will continue payment of interest on its obligations, and presumably will be able to refinance the bonds on which default has been made, when the financial sky clears.

Florida's future as a winter resort is conceded to be secure, and the feeling is general that in spite of the severe jolts it has had in recent years, with inflated land booms, hurricane visitations and the large destruction of its fruit crop by fly pests, the state will come back strong. Profiting by past experience, its building codes have been improved, irresponsible land speculators given the cold shoulder and more conservative financial policies agreed on. The situation is clarifying and there is no reason for doubting the future of the commonwealth.

Saint Renamed as Member of Louisiana Commission

BATON ROUGE, LA., Aug. 13.—John D. Saint of Baton Rouge, member of the Louisiana insurance commission for the past four years and two years chairman of that body, has been reappointed as a member of the commission for a six-year term by Attorney General Percy Saint.

Mr. Saint's original four-year term expired Aug. 9 and his reappointment was made under the statutory provisions for one of the memberships to be filled by the attorney general.

Chairman Saint has announced a meeting of the commission to be held in New Orleans Aug. 14, when he indicated he expected a new move would be made for the reorganization of the commission, which under the law designates its own chairman and whose members have recently been at odds.

The other members of the commission serving overlapping terms are Ferdinand Mouton, Lafayette, appointee of Governor Long, and R. M. Wamsley, New Orleans, appointee of Secretary of State Bailey. Last year Chairman Saint was removed from the commission by executive order of Governor Long in the midst of his term, and was immediately reappointed by Attorney General Saint.

Storm Loss at Louisville

LOUISVILLE, Aug. 13.—Considerable damage was reported about Louisville in a 70-mile windstorm that struck suddenly Saturday evening, taking off roofs, blowing out windows, etc. Several automobiles were crushed by falling trees. A wall was blown out at the Louisville Mill Supply Company and other companies in that building suffered.

Paul Thieman, brother of Leo E. Thieman, secretary of the Louisville Board, was injured in the storm. A piece of timber dislodged in the business district, crashing through the roof of his car and knocking him unconscious.

Virginia Hail Claims Heavy

RICHMOND, VA., Aug. 13.—More than 290 claims for losses suffered recently in a severe hail storm in sections of Halifax and Pittsylvania counties, Va., have been filed, according to company representatives. The hail is said to have been the heaviest known

in years. After it fell, it congealed on the ground and in some instances was gathered by farmers and packed in ice houses. Watermelons were shattered in the fields and garden vegetation stripped of its leaves. Tobacco growers were especially heavy sufferers.

May Raise Jena, La., Rates

JENA, LA., Aug. 13.—The drought has brought the water supply of Jena to a point where the town is faced with a rate raise, unless steps are taken immediately to remedy the situation. Officials have taken action which they believe will meet the demands of the Louisiana Fire Prevention & Rating Bureau. The town has taken over the water works from the Gulf Public Service Company, local ice company, as the first step.

Start Alabama Membership Drive

A membership campaign for new members in the Alabama Association of Insurance Agents has been launched at Birmingham. The campaign is to be statewide and the goal is set at 475 new members.

Explain National Board Campaign

NASHVILLE, TENN., Aug. 13.—A. L. Gale of Gale & Pietsch and Richard E. Verner of the Western Actuarial Bureau, Chicago, presented the plan of the National Board for a nation-wide advertising campaign to members of the Nashville Board. The local board has assured the National Board of its intention of cooperating to the fullest extent.

Change in High Point Agency

John Peacock has bought the interests of W. C. Jones in Jones & Peacock general agency at High Point, N. C. The style of the firm will remain unchanged. He has also acquired the interests of Mr. Jones in the local agency there operated by the firm. Robert W. Russell, formerly North Carolina special agent for the Automobile, has become affiliated with Mr. Peacock, acquiring an interest in the general agency.

Kentucky Notes

A new insurance map of Central City, Ky., is being made by the Sanborn Map Company.

Estimated loss of \$150,000 was suffered in a fire at the Albert Hess Furniture Co., 550-552 East Market street, Louisville.

Col. W. P. Swope of Louisville spent last week in his old home at Owenton, Ky. He celebrated, while in Owenton, the 14th anniversary of his connection with the American Eagle, for which he is state agent.

Miss Blanche Huber, secretary to Leo Thieman, Louisville Board executive secretary, is at Winona Lake to attend the national conference of Asher Business Women's Clubs, of which she is president.

There are numerous sore arms among the engineering organization of the Ken-

Cover Apple Orchards as Result of Drought

Due to the fire menace which the protracted drought has brought about in the Shenandoah Valley section of Virginia, several large apple growers in that section have insured their orchards against fire. The policies were written for three months through the Winchester agency of Hansbrough & Carter. This is said to have been the first time in the history of the American apple industry that fire insurance on apple trees has been issued. That it was no imaginary hazard that confronted the Shenandoah Valley growers was evidenced by the fact that while negotiations for the insurance were under way fire destroyed an orchard near Martinsburg, W. Va., the parched condition of the trees furnishing fuel for flames that quickly enveloped the orchard after sweeping through a neighboring field covered with parched vegetation.

tucky Actuarial Bureau, as a result of all outside men, who have to travel the state, having been inoculated against typhoid, at the request of Manager George H. Parker.

Virginia Notes

The American Merchant Marine of New York has entered Virginia to write fire and kindred lines.

Loss from fire which swept the town of Gore, Va., entailing an estimated loss of \$500,000, is believed to have been of incendiary origin. An arrest has been made by investigating authorities.

Alabama Notes

Rufus H. Bethea of Birmingham, Ala., member of the Bethea-Bethel Agency, has been elected state commander of the American Legion.

Two new agencies have been opened at Montgomery, Ala., one by Rush H. Pearson, representing the American Merchant Marine and Standard Fire, and one by George H. Thigpen, Jr., son of the insurance commissioner, representing the Georgia Home.

Charles D. Foucher, 70, head of the Charles D. Foucher agency of New Orleans, died suddenly at Bay St. Louis, Miss., of heart disease. Mr. Foucher was a native of New Orleans and a descendant of one of Louisiana's pioneer French families.

Burt L. Davis, well known San Francisco broker and member of J. B. F. Davis & Sons, which last year merged with the brokerage department of Marsh & McLennan, is recovering from a slight stroke suffered several weeks ago.

ON THE PACIFIC COAST

Montana Agents Hold Session

One Day of Joint Meeting with Realtors at Missouri Devoted to Insurance—Midkiff Is President

A two-day meeting of the Montana Association of Real Estate Dealers and Insurance Agents was held at Missoula. T. W. Midkiff of Great Falls was elected president; John S. Wulf of Butte, first vice-president; F. M. Davidson of Anaconda, insurance vice-president; B. D. Brockway of Billings, real estate vice-president, and W. W. Hulce of Great Falls, secretary-treasurer.

Explain National Board Campaign

One full day was devoted to the discussion of insurance matters, Paul Freeman of Great Falls, prominent insurance attorney, spoke on "The Voice of Fire Insurance" and James Martin of Missoula, a member of the Watson agency, talked to the 50 delegates present on "Rate Cutting and Its Aftermath." W. F. McKee of Great Falls, secretary of the Montana Special Agents Association, explained the proposed advertising campaign of the National Board in Montana daily newspapers, stressing that local agents of stock fire companies should tie up their own advertising to that of the National Board. George P. Porter, state auditor and commissioner of insurance, also addressed the agents, and round table discussion followed the insurance talks.

Congressman Scott Leavitt of Montana and Arthur J. Mertzke of Chicago, an authority on property appraisal, were the principal speakers at the realtors' meeting. Mr. Leavitt's subject was "Reclamation and the Government Land Situation in Montana."

Heads Goudy's Risk Business

William L. Bland, former insurance newspaper man and local agent, has been appointed to take charge of the insurance department of the Goudy Mortgage Loan Company, Russ building, San Francisco, one of the largest mortgage loan companies on the Pacific Coast.

Mr. Bland began his insurance career as a member of the editorial staff of THE NATIONAL UNDERWRITER in Chicago. Then, after several years as a daily newspaper man, he organized and operated a local agency and later managed the insurance department of a large real estate office in Cincinnati.

Mr. Bland went to San Francisco six months ago. He is a brother of Frank W. Bland, vice-president of the "Pacific Underwriter" and Pacific Coast manager for THE NATIONAL UNDERWRITER.

Urge More Rural Protection

Fire Marshal Lee of Oregon in His Annual Report Emphasizes Extent of Farm Losses in State

SALEM, ORE., Aug. 13.—Organizing and perfecting rural fire protection districts and systematic, constructive training of the fire chiefs and firemen of the state in modern methods of fire safety and control, through the medium of the Oregon firemen's school under the auspices of the Oregon Fire Chiefs Association, are the remedies offered by State Fire Marshal Clare A. Lee in his annual report for the protection of rural properties.

Farm losses in 1929 were increased \$156,707 or 20.1 percent over 1928. They represented 13.7 percent of the state total and 37.5 percent of the total values involved in all fires, while, for the five-year period, the proportion of farm losses to total state was 11.8 percent and the ratio of losses to values was 40.1 percent.

The total fire losses for 1929 are estimated at \$6,808,685, as compared to \$6,717,558 for 1928, in 5,999 fires. The 1929 losses, however, were \$1,758,536 below the average yearly losses for the previous six years and the percentage of losses to values involved in all fires in 1929 represented a reduction of 23.7 percent.

Losses to city dwellings and contents, which have protection, in 1929 amounted to \$1,388,716 in approximately 4,000 fires, involving \$15,993,483 in values, as compared to \$2,498,423 in values involved in 735 farm property fires.

Industrial losses, the greatest amount of which was suffered by sawmills and other woodworking plants, bore the brunt of the 1929 total with \$2,441,404 or 35.8 percent; city dwellings and contents came second with \$1,388,716 or 20.4 percent; mercantile establishments third with \$1,157,300 or 16.9 per cent, and farm properties fourth.

Right to Attorney's Fees in Case of Subrogation

A case has been decided by the United States district court in Idaho in Allen vs. General of America. Judgment for \$10,193.44 in favor of Allen was entered against the company. The company now moves that the plaintiff be required to accept \$7,037.44 in payment in full and for an assignment of the mortgage held by him on the property of the mortgagor in subrogation of the right of the plaintiff and mortgagee. The plaintiff objects

in the Black Hills of South Dakota. During his stay in Denver, he met with several officers and members of the Colorado Blue Goose and extended an invitation from the Dakota pond to be present at this convention. Mr. McDowell advises that the Denver pond expects to send at least 15 members and their families.

The Colorado pond held a luncheon and business meeting in Denver Monday for further discussion of the matter.

Giberson Elected a Member

H. P. Giberson of Denver, who succeeds H. T. Lamey as manager of the mountain department of the American & Foreign, Citizens, Delaware Underwriters and Westchester, has been elected a member of the Western Underwriters Association.

Opposes State Insurance

DENVER, Aug. 13.—The state should keep out of the insurance business, in the opinion of William V. Hodges, candidate for the United States Senate, who spoke at the regular monthly luncheon of the Mountain Field Club.

"The government may have interested itself in some business programs in which it will have to go through," he said, "but I am opposed to any expansion in business by the government." Asked to state his position on insurance, he said: "I am opposed to the state engaging in the insurance business."

Woman Special in East

DENVER, Aug. 13.—Mrs. Gertrude Stock of the Schuyler Agency will spend the latter part of this month and early September visiting home offices in Baltimore, Hartford and New York, spending a brief vacation in Boston. Mrs.

Stock is the only feminine special agent in the mountain field.

McDonald's Mother Is Dead

DENVER, Aug. 13.—B. M. McDonald, state agent of the Aetna, was called home from his vacation in Michigan this week on account of the death of his mother, Mrs. Emily McDonald. Although she had been in ill health for some time, her death was unexpected. She was 76 years old, and had lived here 40 years. She was the widow of the late J. M. McDonald, former state agent here for the farm department of the Continental.

Drew on Coast Trip

Cyrus K. Drew, publisher of the "Insurance Report," of Denver, has been spending several weeks in California. Mr. Drew is accompanied on his trip to the coast by Mrs. Drew and their children. The family spent five weeks in Los Angeles and will spend additional time in northern California before returning to Denver.

Alamosa Slips to 8th Grade

DENVER, Aug. 13.—Alamosa, Colo., has been reduced from 7th to 8th grade. L. A. Barley, chief engineer of the Mountain States Inspection Bureau, said the new grading was due to deficiencies in the fire department and lack of enforcement of fire prevention ordinances. Newspaper accounts, he said, indicate moderately high losses in recent years, the largest single loss amounting to \$150,000, April 2, 1930, when the high school was practically destroyed.

Matthew Scanlon, manager of the Underwriters Adjusting in Omaha, who has been vacationing on the Pacific Coast, spent part of his holiday in Denver before returning home.

EASTERN STATES ACTIVITIES

Upper New York Conditions

Drought Did Not Reach an Acute Stage, Although Crops Are Somewhat Affected

ROCHESTER, Aug. 13.—Regarding the drought situation in upper New York state while it has been of long duration and caused considerable concern it did not reach an acute stage. There was an increase of forest and brush fires and an increase in farms fires usually starting in straw stacks and spreading to the buildings. Farmers with acreage in the vicinity of the Erie canal petitioned for the privilege of using canal water which was granted but recent occasional showers made this unnecessary. The dry spell has retarded the fruit crop but insurance offices report that the conditions have not been of sufficient severity to move the farmers to reduce their policies. Some of the onion fields suffered loss from the muck igniting and the dryness of the creeks made it difficult to stifle such fires.

Veteran Maine Agent Dies

William E. Brown, partner in the firm of Blake, Barrows & Brown, Bangor, Me., and one of the veteran insurance men of Maine, died at his home there following a year's illness.

Mr. Brown's insurance experience began in the '60's with the old firm of B. Plummer & Sons in Bangor. In 1883 Mr. Brown formed a partnership with George W. E. Barrows of Bangor, which continued until the firm of Blake, Barrows & Brown was organized in 1920, taking in the two members of the older firm.

H. Austin Morse, veteran local agent of Chicopee, Mass., is dead. Addison G. Morse, his son, has been associated with his father in the business and continues the agency.

Philbrick Now General Agent

W. T. Jordan Quits Post With O'Brion, Russell & Co., in Charge of Companies in St. Paul Group

BOSTON, Aug. 13.—William T. Jordan, connected with the O'Brion, Russell & Co. agency for 20 years, serving in recent years as general agent for the St. Paul Fire & Marine, Minnesota Underwriters Agency and Mercury, has resigned. Mr. Jordan has no immediate plans for the future. He is president of the Insurance Society of Massachusetts and is well known throughout the New England field.

Details of Arrangement

O'Brion, Russell & Co. announce that Charles A. Philbrick, special agent for the St. Paul Fire & Marine, Minnesota Underwriters and Mercury, will succeed Mr. Jordan as general agent of these companies. Frank Hannigan will continue as special agent in Maine, New Hampshire and eastern Massachusetts. The remainder of the field work in New England will be taken care of by Mr. Philbrick and an assistant to be appointed later.

New Jersey Decision on Insurable Interest Issue

An interesting case has been decided by the New Jersey court of chancery, *Automobile vs. Conway*. The company issued a fire policy of \$19,000. Elizabeth Lutz held a mortgage. The premises were conveyed to Sarah Conway and her husband subject to the operation of the mortgage. A policy was taken out in the name of Sarah Conway and her husband in the National Liberty. A fire occurred and the loss was estimated at \$20,192.90. The National Liberty paid

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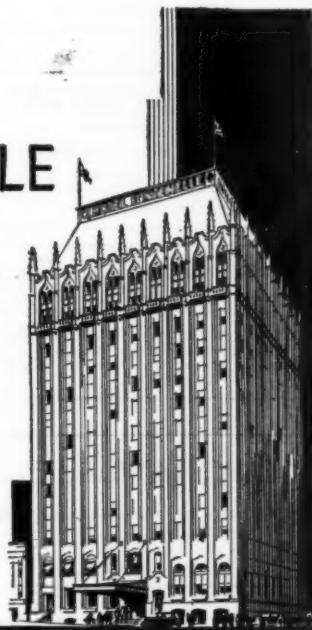
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to the owner \$11,532.02 and contended that the Automobile should pay the balance, \$8,250.88. The Automobile paid to Elizabeth Lutz \$19,000 and took an assignment of the mortgage which it is now attempting to foreclose, claiming that inasmuch as J. F. Conway was not the owner in fee of the premises, being only a tenant and no amount is due him from the company. The court held that although Conway died since the time of the fire, \$8,250.88 was the amount of the enforceable loss being credited to him, he having an insurable interest in the land. The complainant must, it held, credit on the mortgage the sum for which it was responsible to the assured, J. F. Conway, at the time of the fire. The action of Mr. and Mrs. Conway in taking out additional insurance immediately reduced the liability of each com-

pany proportionately as provided for in the policy.

Boston Premiums Decline

BOSTON, Aug. 13.—Fire and sprinkler leakage premiums on Boston the first six months of 1930, according to returns filed with the Boston Protective Department, show a falling off of \$170,146, or 3.9 percent, from the same period of 1929. The total is \$4,157,648, as compared with \$4,327,794 for 1929. Of this amount \$3,906,077 was written by stock companies and \$251,571 by mutuals.

William Duerstein, 70, prominent Buffalo fire insurance man and former member of the board of supervisors of that city, died there last week. He was engaged in insurance work until a year ago when ill health forced his retirement.

IN THE CANADIAN FIELD

Premium Taxes Show Decline

United States and British Companies
Pay Canada \$612,748 Less in
1929 Than 1928

OTTAWA, Aug. 13.—A summary of the Canadian premium tax for 1929 prepared by the Dominion department shows that last year taxes paid on fire and casualty premiums in Canada were lower than for 1928. Apart from the tax on premium income of fire insurance, the companies are also subject to income tax. The following is a record of taxes paid for 1929 on fire and casualty business:

Cos.	Prems.	Taxes 1929	1928	%	%
U. S.	\$26,187,560	\$751,579	2.86	3.49	
British ...	39,962,521	920,153	2.30	3.48	
Canadian ...	29,533,317	704,796	2.38	2.69	

The taxes paid in 1929 in Canada by United States and British companies amounted to \$1,671,732, compared with \$2,284,480 in 1928. This tax is divided between the Dominion, the provinces and the municipalities. In regard to Canadian companies the proportion of Canadian taxes is not given, as a separation of expenses between Canadian and foreign branches has not been made.

There is a certain liability to home governments attached to the profits earned in Canada by United States and British companies. Such amounts should be added to the above in order to arrive at the exact amount of taxes paid on Canadian business.

The section of the war revenue act of 1915, levying a tax of 1 percent on the net premiums written in Canada by fire companies, was abolished, so that after Dec. 31, 1928, no further tax has been payable on that account.

Big Loss on Freight Shed

The No. 2 freight shed of the Canadian National Railways, on the Mission Basin, Fort William, Ont., was totally destroyed by fire last week. The contents, consisting mainly of foreign

binder twine and 23 carloads of newsprint which were alongside the shed waiting to be loaded on a steamer for abroad, also were a total loss. The fire is thought to have been due to spontaneous combustion in the piles of twine. The loss on the shed and contents is estimated at about \$750,000. The twine and newsprint, as well as the shed, were covered by insurance.

New Licenses Issued

The National Liberty has been licensed in Canada. F. W. Evans of Montreal has been appointed Canadian chief agent.

The Rhode Island, Marine, Acadia Fire, Imperial Assurance, Commercial Union and Palatine have been licensed to cover damage to buildings by hail, in addition to the classes for which they are already licensed, as have the Royal, Hudson Bay, Newark, Queen, Bankers & Traders, Queensland, Union of England, Merchants Marine and Employers Liability.

Canadian Notes

The First National of Seattle has been licensed in Alberta to write fire and allied lines and casualty business.

The United States Merchants & Shippers has been licensed for inland transportation in addition to the other lines for which it is already licensed in Canada.

The Merchants & Manufacturers Fire has been licensed in the province of Alberta. The American has been licensed in Canada for hall insurance, in addition to the other classes for which it is already licensed.

Norman S. Jones, head of the insurance firm of Seneca, Jones & Sons, Hamilton, Can., died recently. He was a son of the founder of the firm. R. J. Mahony, who was associated with him for many years, but who had lately been retired, will now take charge.

F. R. Logan & Co., Regina, has been appointed general agent of the Phenix Fire of Paris, and Carter & McGeachy, Winnipeg, Man., has been appointed general agent for the province of Manitoba for the same company.

Rodolphe Le Blanc has been appointed western superintendent for the National of Paris, the Fire of Canada and the American Equitable Assurance, and has just arrived from Montreal to take up his duties in Winnipeg, which will be his headquarters.

MOTOR INSURANCE NEWS

May Restrict Provisions

Some Companies Desire to Issue Loss of Use Policy to Automobile Owners

NEW YORK, Aug. 13.—While the great majority of officers of automobile companies are opposed to the loss of use cover, holding that in the form now issued it tends to create moral hazard and has an appeal only to a class of risks that furnish a considerable percentage of the theft losses, some are disposed to grant the indemnity upon a basis that they feel would be practical. That would remove the great objection to the pretext coverage, they contend. It is understood the National Automobile Underwriters Association has been giving the matter close study for sometime past with a primary view of supplying an assured whose machine had been stolen, with use of another car until the missing automobile be recovered or the loss paid. By furnishing a second car there would be no incentive for an assured to hamper the recovery of his stolen machine, removing thereby what underwriters hold to be the great objection to the practice followed by certain offices writing the loss of use form, namely making cash payments.

When the loss of use cover was put upon the market by a mid-western company some months ago, it was at a premium of \$2.50 for cars valued at \$2,000

or under, and \$5 for those listed in excess of that amount, the indemnity under the first mentioned plan to be \$5 per day for each day, up to 30, in which the owned car was missing and \$10 per day for the higher priced machines.

Attacks Specialty Companies

Wedock Flays Michigan Auto Carriers in Answer to Critic of Stock Company Policies

President G. Leo Wedock of the Michigan Association of Insurance Agents has answered an anonymous circular from Flint, Mich., declaring the automobile collision, fire and theft rate reductions instituted by many stock carriers in Michigan are inimical to the agents, calling upon the agents to improve their relationship with Commissioner Livingston and lobby for a financial responsibility law. Mr. Wedock issued a vigorous response and launched an attack on Michigan specialty companies.

The author of the anonymous circular asserted that the 50 percent reduction in collision rates, and 25 percent in fire and theft, is impairing the standing of the agent and reducing his revenue. Mr. Wedock replies that the lower rates bring greater volume and he predicts that 1930 will be an exceedingly profitable year for the agents.

Mr. Wedock denied that the rela-

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A & H REVIEW

tionship of the Michigan agents with Commissioner Livingston was anything but amicable.

Furthermore, Mr. Weadock charges that the Michigan insurance code gives an unfair advantage to the Michigan specialty companies. He adds that it is not the duty of the legislature to "protect the business of insurance in Michigan so much as it is the insuring public against schemes that are now a little more than legalized frauds traveling under the guise of insurance."

"We do not know of any feeling, that is 'the feeling that is being worked up among the various classes of insurance agents.' There may be some feeling of resentment upon the part of some peddlers of questionable policies who have been selling at prices that could not be justified by the financial set-up of the so-called insurance companies represented by them, a class of persons who have no knowledge of the insurance business and interest in the policies they sell other than the commission they obtain as a side-line proposition. The regular agents of the state writing the great bulk of the premiums have not been heard racing to Lansing asking succor for loss of business on account of the nefarious practices indulged in by a certain group of self styled insurers."

State Fund Move Unlikely

The anonymous writer predicted that unless the agents attempted to check the alleged demoralization in the automobile insurance business, a state fund would be created. Mr. Weadock terms this statement "ridiculous." "I do not doubt that the legislature may be appealed to by some disgruntled soreheads," Mr. Weadock declares, "who veil their prejudices under the guise of patriotism, but certainly no one engaged in the insurance business and prompted by proper motives would give his support to such a scheme as this."

Mr. Weadock concludes with the statement that some sort of financial responsibility law will be introduced before the Michigan legislature in January. "I sincerely hope that it may be reinforced with more rigid restrictions as to the financial responsibility of some of the carriers who hope to increase their business by such enactment," he said.

Built-in Truck Equipment Now Covered in Auto Form

The Aetna is advising its agents to be on the lookout for contractors who possess equipment built into or permanently installed on motor truck chassis. Sand blasting machines, large vacuum cleaning outfits, mounted cranes, hoisting devices and power shovels are frequently thus arranged.

In the past the Aetna points out, the truck only could be insured in an automobile policy while the equipment required a separate inland marine contract. Now the automobile fire and theft policy may be endorsed to cover the specific amount of insurance on such equipment as is frequently attached to the motor trucks, in addition to coverage on the truck itself.

Transfer Don R. Sessions

The American Automobile of St. Louis has transferred Don R. Sessions from Detroit, where he has been resi-

dent vice-president, to Los Angeles where he takes charge of the company's branch office there. Mr. Sessions fills the vacancy in Los Angeles created by the death of Howard R. Krouse, who was for many years manager of that office. Robert Z. Alexander, formerly assistant manager of the Detroit office, has been appointed to succeed Mr. Sessions in that city.

Bills Delinquent Carriers

The department of inspection and supervision of public offices of Indiana has discovered that many companies writing automobile fire, theft, collision and property damage in Indiana during 1927-1928-1929 have neglected to pay the fire marshal tax on their automobile fire premiums. The rate is one-half of 1 percent and the department of inspection is dunning the companies for that levy.

St. Louis Thefts Lower

ST. LOUIS, Aug. 13.—Sergeant Duward Norris, head of the police auto theft bureau of St. Louis, reports that for the seven months' period ended Aug. 1, 418 fewer automobiles were reported stolen than in the same period in 1929. In all 2,506 machines were stolen and 2,258 were recovered. Last year 3,024 automobiles were stolen in the first seven months and 2,771 were recovered.

Warning on "Auto Service" Contracts

HELENA, MONT., Aug. 13—According to George P. Porter, state auditor and commissioner of insurance, agents of some auto service companies have been selling contracts for automobile service in Montana and representing them as being full coverage insurance policies. Mr. Porter warns Montana motorists to be careful in purchasing any contracts of the kind and to read policies carefully in order to determine whether they are for insurance or for service.

Some Queries from Agents Answered

Radio and Electrical Clause

Question: Some time during the past year, we noticed in an issue of THE NATIONAL UNDERWRITER, an article stating that the supreme court of Wisconsin had ruled that electrical damage to a radio caused by lightning was covered by a fire insurance policy. Will you advise where we can get more information on this case?

Answer: Undoubtedly you refer to the opinion of the Nebraska supreme court which was laid down Dec. 12, 1929. The court ruled that since the electrical exclusion clause did not specifically except radio apparatus, the company was liable. At that time this opinion was delivered, radio apparatus had been included in the electrical inclusion clause in Nebraska, but the policy, upon which the court decided, had been sold before the radio apparatus was excepted in that state. The case was Coad vs. London Assurance Corporation.

Radio apparatus is now included in the electrical exclusion clause in all states under jurisdiction of the Western Actuarial Bureau except Wisconsin.

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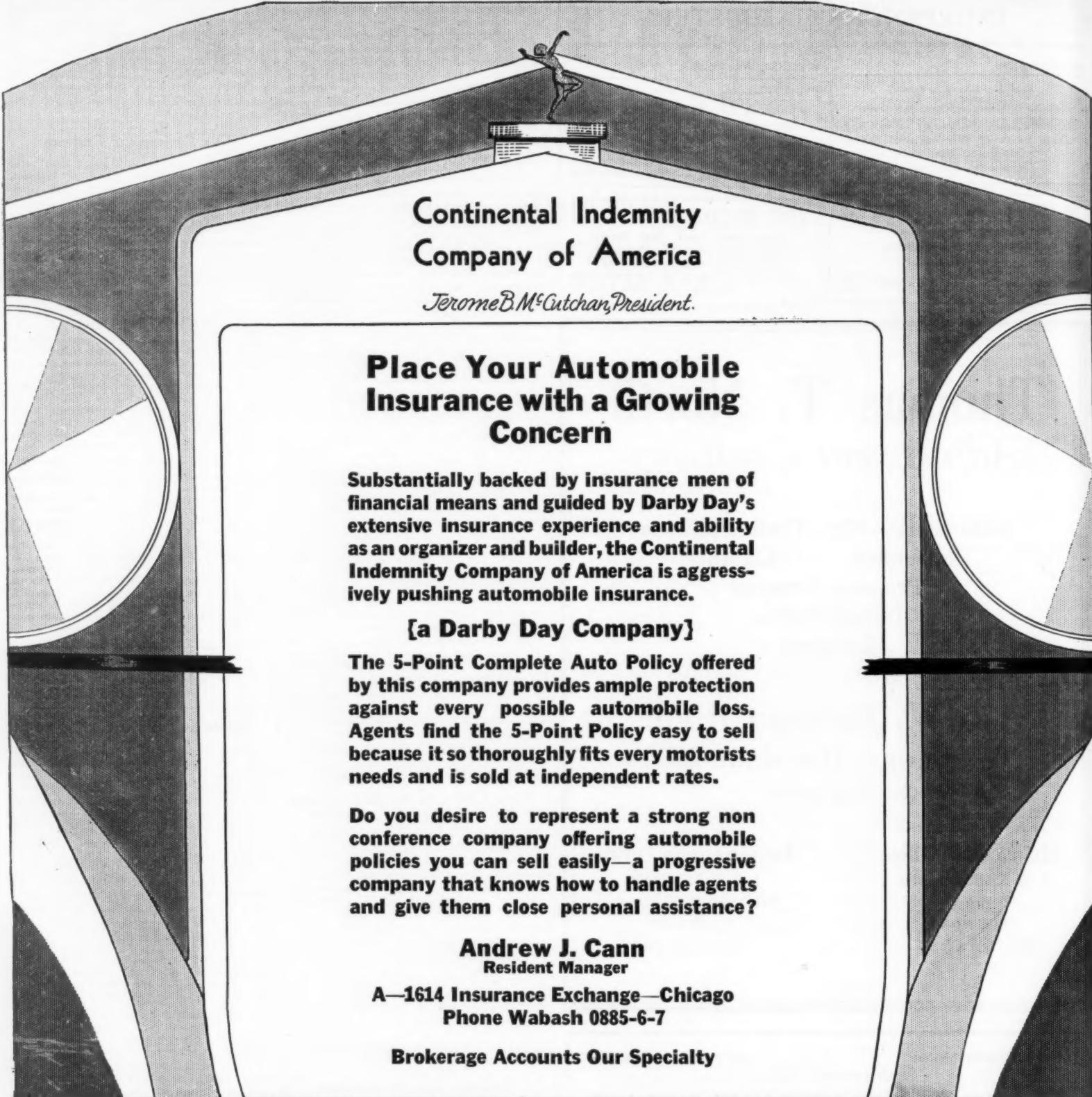
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August 14, 1930

CASUALTY AND SURETY SECTION

Page Twenty-nine

Aircraft Folk May Join Hands

Need for Uniformity in Rates and Practices in Aviation Insurance Seen

AUTOMOBILE RATES LOW

Surety People Are Watching the Bank Situation Where Crop Conditions Are Acute

NEW YORK, Aug. 13.—There is considerable talk here concerning the companies writing full cover aircraft getting together so that there can be standardized underwriting practices and rates. At the present time the various syndicates and individual companies writing aircraft follow their own sweet will. Brokers have been trading about, pitting one group against another. Underwriters realize that unless the handling of aircraft insurance is placed on a more substantial basis, it will be very difficult to secure coverage.

Losses Have Been Heavy

Losses especially on crash and passenger liability have been unusually heavy. One underwriter expressed the view that companies could not afford to write crash at less than a rate of 25 cents on the dollar with a deductible clause. The rates now run about 15 cents. Heavy losses have been incurred because of injury or death of passengers. Some declare that no amount of inspection will be of use because machines deteriorate rapidly and their condition may change from day to day. A man who has had considerable experience in aircraft underwriting declares that companies might follow the United States Department of Commerce if it gave its approval to a machine and pilot.

The personal element naturally is a very pronounced one. Pilots vary in their mental faculties, judgment, poise and knowledge of machinery. All generally agree that something will have to be done if the aircraft industry is to be protected. Full coverage insurance is most expensive but the experience of companies warrants every dollar collected and even much more.

AUTOMOBILE SITUATION

Casualty companies are considerably alarmed over the automobile situation in certain sections where the National Automobile Underwriters Association reduced rates materially. Collision rates, in the opinion of casualty underwriters, are far below what they should be. They declare that the loss ratio does not justify the present low rates that were put into effect by the fire and theft people. In Michigan and Indiana especially, rates are at rock bottom due to the fight between the stock companies and specialty reciprocals and mutuals. This has resulted in pande-

C. C. Wright Resigns from Constitution Indemnity

HAS BEEN GENERAL MANAGER

Has Not Made Any Plans for His Future—Was Formerly in Texas Field

Announcement is made this week that C. C. Wright, vice-president and general manager of the Constitution Indemnity, running mate of the Fire Association group of Philadelphia, has resigned. Mr. Wright was formerly in charge of the automobile department of the Fire Association companies. When the Constitution Indemnity was put into the field he was assigned to the position he has resigned. Mr. Wright, therefore, was responsible for the pioneer work in the organization. The Constitution Indemnity started in 1926. Mr. Wright was formerly in San Francisco as head of the automobile department of the Fireman's Fund. He was very active in the Pacific Coast Automobile Conference. For many years he was state agent of the Fireman's Fund in Texas. He has made no plans for the future.

monium in Michigan. It is a question what the outcome will be. Many casualty officials declare that there was no reason for cutting collision rates 50 percent in that state.

They acknowledge the fact, however, that stock companies have been confronted with cut rate competition. A well known official said this week that rates are at a point where the automobile reciprocals and mutuals will have to begin to count their pennies because they dare not write at much lower rates than stock companies and survive. Regardless of cut rate competition, some of the casualty companies declare that in their opinion the fire and theft people have gone too far and are getting their business at a price where they cannot break even.

FARMERS DROP INSURANCE

Companies operating in the rural districts report that their automobile business has run off materially because of the drought situation. Farmers that had taken full coverage heretofore are dropping everything seemingly but fire and theft. They have not the money to pay premium. The drought has affected crops so severely that farmers are cutting down their expenses to a minimum. During the period when the farmers began to have more money they purchased automobile insurance. They still feel that they must have fire and theft coverage although casualty companies declare that an owner is most unwise who goes without personal liability, saying that he had better drop his fire and theft and all other coverages rather than run the risk of being confronted with a heavy claim in case injury is done.

WATCH THE SMALLER BANKS

Surety underwriters are watching carefully the banks in rural territory or small banks in other sections. Bank statements are being studied wherein

T. E. Myers Heads Old Trails, Recently Formed in Merger

OFFICIAL PERSONNEL LISTED

Consolidated Company of Indianapolis and Memphis Plans Expansion in Territory and Coverage

T. E. Myers, vice-president and general manager Indianapolis Motor Speedway, is president of the Old Trails, the automobile carrier which has just been formed through the merger of the Old Trails Automobile and the Oak Auto of Indiana, the latter a reciprocal, and the National Automobile & Casualty of Memphis. Harry R. DeWolf, manager DeWolf Wholesale News Company, is treasurer of the consolidated company, while Dr. J. T. Hoopingarner, a dentist, is vice-president. Earl W. Balay, claim manager of Old Trails, is secretary Milk Company, are directors. Mr. O. Dungan, officers of the Polk Sanitary Milk Company are directors. Mr. Pfeiffer is also vice-president and general manager. Frank J. Wise is director of agents.

The Indiana and Tennessee commissioners have approved the reinsurance contract out of which the Old Trails emerges as a consolidated company. The consolidated company, it is reported, will have total admitted assets of approximately \$640,000.

Plans of the Company

Officers of the company declare that the agreement added about \$3,000,000 to assets. The new company will sell automobile liability, fire, theft and collision insurance in Indiana, Tennessee and Mississippi. The company is ambitious to enter other states and contemplates writing elevator, plate glass and a general casualty line. Headquarters of the consolidated company will remain at Indianapolis in the Old Trails Insurance building at Washington street and Senate avenue.

The Memphis, Tenn., and Jackson, Miss., offices of the Old Trails will be operated as branch offices.

J. T. Russell, president the Russell-Heckel Seed company, of Memphis, will act as executive vice-president and assistant treasurer Old Trails with headquarters in Memphis. Other Memphis citizens represented on the board of directors are R. F. Carr, president the R. F. Carr Lumber company; Dr. D. E. Louch, medical examiner state board of Tennessee; Napoleon Hill, vice president the Hill Bank, and John T. Fisher, president the Fisher Motor company and vice-president the American Snuff company. Fred Callahan is general counsel.

The production department of Old Trails has been greatly strengthened through acquisition of 75 Oak agents who have been operating in Indianapolis and throughout Indiana. H. M. Glossbrenner will take over the expositions of his son, F. W. Glossbrenner.

depository bonds are written. Some companies are finding that it is dangerous to write such a bond unless a bank has total resources of at least \$1,000.

(CONTINUED ON PAGE 38)

Auto Is Leading Accident Cause

Analysis of Fidelity & Casualty Claims Holds It Responsible for 25 Percent

HILLAS REVIEWS SURVEY

Collisions Between Motor Cars Given First Place in Hazards of Automobile Operation

NEW YORK, Aug. 13.—The automobile, although admittedly an indispensable adjunct to the conduct of modern business, has created an unparalleled hazard to life and limb. Its record of accidents increases steadily in spite of every effort put forward by municipalities and safety organizations. A study of accident claims recently concluded by W. McK. Hillas, vice-president of the Fidelity & Casualty, and long head of its accident department, showed 25 percent of all accidents chargeable to the automobile. Formerly the horse-drawn vehicle supplied the great street hazard, with the bicycle a close second. Over 41 percent of the injuries incidental to the use of carriages and wagons, Mr. Hillas states, were the result of being thrown from the vehicles through their sudden starting, or by runaways, while falls occasioned the large percentage of injuries suffered by cyclists.

Collisions Between Cars First

In 1911, according to Mr. Hillas, but one accident in 40 was attributable to the motor car, today's great increase being the result of the tremendous rise in the number of machines in use, with the consequent congestion of traffic. It is figured that throughout the country on the average 700 persons each day are involved in automobile accidents, of varying degrees of seriousness. Analyzing the claim records, Mr. Hillas continues: "It becomes evident that collisions between motor cars hold first

(CONTINUED ON PAGE 39)

Need for Adequate Coverage Illustrated

The need of adequate public liability insurance in stores is illustrated this week by the catastrophe at Memphis, Tenn., when 35 persons were taken to hospitals after a balcony in a furniture store collapsed. The store was carrying on a sale of dishes. The special sale was staged on the balcony. It was crowded with shoppers, gave way and precipitated the victims 10 feet. Many were buried in the debris, the broken dishes adding danger to those who had fallen. Many had to be extricated by firemen.

Crime Commission Advises Using Checks for Payrolls

MAKES SURVEY OF HOLDUPS

Duplicates Recommendation of National Surety Made Several Years Ago in New York

NEW YORK, Aug. 13.—As one method of reducing the number and seriousness of payroll robberies, the National Crimes Commission, following a study of 1,000 reported holdups during the year ended Sept. 30, 1929 (83 of which were committed in the New York metropolitan area), recommends payment of employees by check instead of cash.

It points out, however, that two states, Maryland and Missouri, place certain restrictions upon this method.

Disadvantages of Armored Cars

While the use of armored cars for payroll robbery, the commission states, reduces robbery danger, the protection is expensive, and "it endangers the lives of those who participate in the receiving and distribution of cash. The principal risk, moreover, takes place after the armored car has delivered the money; many payroll holdups take place after the funds have been delivered."

The presence of a police guard, the committee adds, does not guarantee against attack, highwaymen not hesitating to attempt robbery under such circumstances.

When robberies of Wall street clerks occurred with unusual frequency a year or so ago, the National Surety created a special guard service available for the use of its stock broker clients.

It had at call train men of a number of railroads entering this city, who were off duty during certain hours of the day, and who were only too glad to earn additional money by acting as guards to messengers entrusted with delivery of stocks and bonds, many of which were negotiable. The National Surety at that time advised the use of checks instead of cash in payment of employees' salaries. While many firms adopted the suggestion, a majority continued the old methods, and it was these largely which suffered payroll losses.

Keene, N. H., in the Hills, Becomes Home Office City

Up among the hills and lakes of New Hampshire rests the thriving little city of Keene, which has become a real home office center through the efforts of Walter G. and William F. Perry, and R. C. Carrick, who manage the Peerless Casualty and the National Grange Mutual Casualty. This year about a million dollars in casualty premium income will flow into Keene. The Peerless, long known as an accident and health company, has commenced to write conservatively, mostly in the three northern New England states, the other casualty lines.

Some years ago, in soliciting the Grange members for accident insurance, it was suggested to the Messrs. Perry and Carrick that they might act as managers for the new company which the Grange proposed starting. They accepted, took the new company to Keene, where it has been very successful. Now the Peerless Casualty has purchased a home office building of substantial size which is being fitted up in modern style as a home office of the two companies. This organization puts Keene on the map of New England "home office" cities.

Sells Governor Policy No. 1

E. G. Sharp, president of the newly organized American Mutual, Bennie-Dillon building, Nashville, Tenn., sold Governor Henry H. Horton policy No. 1 in the new company.

Reviews 25 Years



A. J. ALWIN

An interesting review of his 25 years in the health and accident insurance field was given at the annual meeting of the International Federation of Commercial Travelers Insurance Organizations in Banff, Can., by A. J. Alwin, secretary and founder of the Minnesota Commercial Men's of Minneapolis, which is celebrating its 25th anniversary this year. Mr. Alwin served as president of the International Federation from 1924 to 1926.

The Minnesota Commercial Men's in its early days centered its activities particularly on health insurance and Mr. Alwin described some of the difficulties encountered in popularizing it at that time. He paid tribute to some of the veterans in that field, particularly the Iowa State Traveling Men's, which is observing its golden jubilee this year, and also to the institution of accident and health insurance as a whole, the protection which it offers and the beneficent work that it performs.

Ruttle Takes New Post

Charles H. Ruttle, assistant general attorney at the head office of the Continental Casualty, has been appointed manager of the Chicago claim department in the Insurance Exchange, succeeding W. S. Hopkins. Mr. Ruttle was formerly an independent adjuster in Detroit.

"Guest Law" Not Retroactive

SAN FRANCISCO, Aug. 13.—According to a ruling of the California supreme court, the "guest law" passed by the 1929 legislature can not be considered retroactive to govern all cases pending at the time of its passage. The new law relieves the owner or operator or person responsible for operation of a motor vehicle from liability for injury or death of a guest accepting a free ride, except where intoxication, wilful misconduct or gross negligence were the cause. It also places the burden of proof on the plaintiff.

Levey to Be Speaker

Edgar C. Levey, speaker of the California assembly and "father" of the present financial responsibility law as chairman of the committee which was appointed to study the matter for two years before the law was enacted, will speak before the Casualty Insurance Institute of San Francisco Aug. 18, according to announcement of Walter A. Chown, president.

Will Open New England Branch Office at Boston

CHANGE IN CONTROL MADE

New Hampshire Mutual Liability, Merchants Mutual and Guardian Casualty Operate Jointly

CONCORD, N. H., Aug. 13.—The sale of the New Hampshire Mutual Liability of Concord, N. H., a stock company issuing participating policies, to the Merchants Mutual-Guardian Casualty interests of Buffalo, New York, and the reinsurance contract of the Capital Fire of Concord entered into some years ago with the Firemen's of Newark, leaves the Jackman interests at Concord with virtually nothing but the mutual fire companies which the elder Jackman organized in 1895 at the time the New Hampshire valued policy law took effect and drove many stock companies out of the state.

Concord Offices Combined

When the New Hampshire Mutual Liability was sold as of June 1 it moved out of the Jackman office to one across the street, in combination with a branch office of the Merchants Mutual and Guardian Casualty and with A. R. Kendall, formerly secretary but now vice-president, in charge. Now the three companies are opening a New England branch at 18 Oliver street, Boston, which is in charge of Mr. Kendall and of Vice-President George M. Williamson from the Buffalo office. The New Hampshire Mutual did \$1,500,000 in premiums in New England last year, to which it confines its business, and will be the nucleus around which the Buffalo organization will build its New England business.

Wisconsin Auto Coverage Is Doubled in Five Years

MADISON, WIS., Aug. 13.—The amount of insurance carried on automobiles driven by people of Wisconsin has practically doubled in five years, according to the annual report of Commissioner Freedy.

Premiums paid for auto liability insurance by Wisconsin policyholders in 1925 were \$2,954,350. Last year's total was \$5,249,900, an increase of \$120,000 over the 1928 figure.

Thirty-one percent of the casualty insurance in Wisconsin is written by Wisconsin mutuals, according to the report. Stock companies of other states write 51 percent. The total premium income of casualty companies in Wisconsin in 1929 was \$25,460,629, an increase of \$985,282 over 1928. The figures by classes are: Health and accident, \$4,595,496; liability other than automobile, \$882,286; workmen's compensation, \$7,716,196; fidelity and surety, \$2,021,183; plate glass, \$283,935; burglary and theft, \$769,118; automobile property damage and collision, \$2,794,972; live stock, \$57,461; all other, \$632,050; total, \$25,460,629.

All classes showed good gains except plate glass, burglary, property damage and collision, in which the premiums showed slight decreases.

Royal Indemnity Now Sells Golfers All-Risk Policy

The Royal Indemnity has prepared a golfer's combination policy covering personal accident, liability, property damage and loss or destruction of golfing equipment. The personal accident limit under the policy is \$10,000; public liability, \$10,000/25,000 and property damage \$1,000; loss or destruction of golfing equipment \$200 with \$25 deductible.

The price is \$10 for one year or \$25 for three years.

Standard Accident Makes Paul Bowen Agency Head

TO SUCCEED E. J. SCHOFIELD

Ralph H. Platts and A. J. Crockett Are Assistants—Miller Resigns as Superintendent of Agencies

DETROIT, Aug. 13.—Paul M. Bowen, vice-president and assistant treasurer of the Standard Accident, will take charge of the agency and branch office activities of the company, succeeding Emerson J. Schofield, who resigned last week to join the Globe Indemnity as vice-president. Mr. Bowen will be assisted in the agency work by Ralph H. Platts and A. J. Crockett, assistant secretaries.

Mr. Bowen, who is a brother of Charles C. Bowen, vice-president and secretary, served for several years as assistant superintendent of agencies before being transferred to New York as branch manager. He returned to the home office in 1926 as vice-president and assistant treasurer. Mr. Platts, who has supervised the casualty underwriting of the company, will continue to direct this activity as well. Mr. Crockett, who has been affiliated with the company for ten years, formerly served as assistant manager of the New York City branch office under Mr. Bowen.

Phillip L. Miller, who has been superintendent of agencies for some time, has resigned. He plans to rest for a time before re-entering insurance company work. Mr. Miller has been with the Standard for about seven years and was one of the first to be graduated from its training school.

Lower Minimum Premium on Miniature Golf Club Risks

Agents are expected to make a new drive for public liability and property damage business on miniature golf courses in view of the recent reductions in minimum premium for the two covers recently authorized by the National Bureau of Casualty & Surety Underwriters. The minimum premium for public liability insurance (\$5,000/10,000 limit) has been reduced from \$25 to \$15, while the rate of 25 cents per \$100 of gross receipts remains the same. These rates are increased by 20 percent for \$10,000/20,000 limit.

The property damage minimum premium has been reduced from \$12.50 to \$10 with a \$1,000 limit and the rate remains at 12½ cents per \$100 of gross receipts.

Bond Covers Moving of Two Full City Blocks

An unusual bond for \$300,000 was executed by the Maryland Casualty, covering the completion by E. W. La Plante of Cedar Rapids, Ia., of his contract for moving office buildings and homes in two large city blocks in Toledo, which was carried out with entire success.

Individual brick and wooden buildings were included in this mass movement. The entire operation was accomplished without any interruptions to business or home service, the use of water, sewerage, light and heat running along as usual. A restaurant continued to serve meals throughout the moving operations.

The material and equipment used included 340 tons of steel rails, 15,000 crib jacks and 1,500 50-point steel rollers.

Row on Coast Receivership of Lumbermen's Reciprocal

MITCHELL DEMANDS CONTROL

California Commissioner Seeks to Set Aside Appointment Made by Federal Court Judge

HOUSTON, TEX., Aug. 13.—Although he owned only 25 shares of stock in the Security Union of Houston, which recently went into receivership, Ross S. Sterling of Houston, chairman of the state highway commission, and candidate for governor in the run-off primary Aug. 23, gave a written guaranty of \$35,000 that all claimants and policyholders of the company might be protected.

This fact was revealed by Wright Morrow, receiver for the Security Union, in a telegram to Senator Walter C. Woodward of Coleman. Charges concerning Mr. Sterling's alleged connection with the two companies were made by Mrs. Miriam A. Ferguson, Mr. Sterling's opponent in the gubernatorial primary.

"The records do not disclose that Mr. Sterling has any connection whatever with the Lumbermen's Reciprocal Association," the Morrow telegram stated.

SAN FRANCISCO, Aug. 13.—Commissioner E. Forrest Mitchell has announced his determination to try in every way possible to obtain control of the settlement of the Lumbermen's Reciprocal claims in California and a fight has developed with Samuel Shortridge, Jr., the receiver recently appointed by Federal Judge Louderback. While Commissioner Mitchell takes the stand that his department can more efficiently liquidate the business here with the moneys he impounded when the failure of the reciprocal first became known, the receiver and his attorneys are making a strenuous fight to retain control.

Receiver's Activities Halted

The receiver has been stopped from proceeding with any work until the court has heard a petition filed against him, as a result of the rehearing of the "Lay case," which was the basis of the petition seeking a receiver in federal court. It is reported that the case used in this instance was an award made by the industrial commission under a misapprehension and without a real hearing, the commission feeling that such action might protect some of the policyholders. It developed later, however, that the policyholder involved in this case, the Bos Construction Company, came to the conclusion that the award against it might have the reverse effect and as a result petitioned the commission for a rehearing. This was granted.

Commissioner Mitchell's Contention

Commissioner Mitchell contends that a federal receivership is not needed; that it will probably result in exorbitant expenses. Commissioner Mitchell also sets forth that his office should, under the California law, be appointed receiver, that he has all of the facilities to adjudicate the claims at a minimum of expense and probably meet every loss pending and still save a fair sum to be sent to the Texas receiver for the benefit of policyholders and claimants in other states where the Lumbermen's operated. Judge Louderback has the matter now under advisement.

No Experience Data Hereafter

While this was going on, Walter A. Chowen, manager of the California Inspection Rating Bureau, quasi-public compensation rating organization, made public a letter received from the Texas receiver, in which it was stated that no experience data on risks heretofore insured by the defunct reciprocal would be forthcoming. This indicates that those employers reinsuring in any other carrier will not have the advantage of rate revision in accordance with favor-

Broadcast of Unlicensed Carrier Is Held Illegal

BOSTON, Aug. 13.—H. J. Taylor, counsel of the Massachusetts department, on complaint of the Boston Life Underwriters Association, has warned broadcasting station WLOE of Boston against sending out advertisements of the Union Mutual Casualty of Iowa over the air.

Mr. Taylor informs the broadcasting station that the company is not admitted to Massachusetts and that the station is in violation of law if it aids in any manner in the solicitation and securing of insurance for the Iowa company.

able experience during the time they were insured by the Lumbermen's.

A statement from the industrial accident commission flatly denies the charges of "collusion and chicanery" between the insurance department and the industrial commission made by the attorney for Mr. Shortridge. The statement says in part: "Both the industrial accident commission and the insurance commissioner feel that the administration of the insolvent Lumbermen's Reciprocal Association by Samuel M. Shortridge, Jr. will be much more expensive than the continuation of the administration of this company by the insurance commissioner, which was interrupted by Mr. Shortridge's appointment. The creditors of this company will be mostly injured men and their widows and children and the state authorities feel that the insurance commissioner can handle the receivership much more efficiently and economically than Samuel M. Shortridge, Jr., who is usually awarded large fees in federal court receiverships."

Unemployment Bill Filed

BOSTON, Aug. 13.—Unemployment insurance, an employment insurance commission and employers' mutual employment carrier are provided for in a bill in the Massachusetts legislature sponsored by Representative Thomas Smith, Jr., Fall River. The commission would be composed of the labor commissioner, the industrial accident chairman and five other members, at least two from recognized trade unions, appointed by the governor. Salaries of the first two, ex-officio members, would be \$2,500 in addition to their present salaries, and for the other members \$5,000 each.

Florida Municipalities and Counties Default Obligations

BANK FAILURES SHOW EFFECT

Governmental Charters Lax About Requirements for Securing Funds Deposited in Financial Institutions

NEW YORK, Aug. 13.—Several counties and a number of municipalities in Florida have defaulted their bonded obligations within the past few months and while payments may eventually be made, it is probable that considerable time will elapse before final settlements are recorded.

The failure of a number of banks used as depositories for public funds is one of the contributing factors in causing this difficult situation. However, the primary cause is due to the collapse of the land boom, during which period public improvements were planned with the anticipation of an increase in tax returns.

Requirements Are Lax

While the charters of many of the communities throughout the country provide for the securing of bonds from financial institutions holding public funds, the requirements of Florida cities and towns as a rule are lax in that respect, the banks being free to furnish security of their own choosing instead of giving government bonds, or those of admitted surety companies.

Because of this laxity of requirement, their appreciation of the severe setback suffered in Florida by the deflation of the land boom and the damage wrought by successive hurricanes along the east coast, surety companies have been extremely careful in issuing depository bonds on financial institutions of the state, save only those of strong position, and as a consequence have escaped with comparatively few losses.

Safety Congress in Pittsburgh

The National Safety Congress will hold its annual meeting at Pittsburgh Sept. 29-Oct. 3. Rear Admiral Richard E. Byrd will speak at the banquet on his Antarctic experiences. Dr. L. I. Dublin of the Metropolitan Life will discuss "One Hundred Thousand Deaths."

During the five days of the congress there will be 150 different safety sessions and about 350 addresses by well-known safety authorities. More than 7,000 delegates from all states in the Union and a number of foreign countries are expected to attend.

Receivership Ten Years Old, Vital Points Unsettled

SIOUX CITY, IA., Aug. 13.—The American Bonding & Casualty of Sioux City failed early in 1921. Its receivership is therefore well on its way towards its tenth birthday.

Within the past two months there have been 50 petitions, demurrers, reports and orders to pay salaries in this case. Among the numerous points yet to be adjudicated are:

Did liability of the company cease at the appointment of a temporary receiver in January, 1921, or the permanent receiver, who is the same man, in February, 1921?

Who are the general claimants? Are unearned premiums preferred claims?

How valid are the claims of policyholders in the defunct Chicago Bonding, which was partly merged with the American Bonding at the time of the latter's failure?

How many of Special Referee Wadden's findings will stand district and supreme court scrutiny? Many claimants have already taken exceptions to his findings.

What relation has the 26½ percent paid claimants of the Chicago Bonding to the affairs of the American Bonding?

Will funds now controlled by the receiver hold out so that claimants will get anything?

There are probably 100 questions yet to be decided by the district court and the vital issues must yet go to supreme court of Iowa in some cases and probably to the Supreme Court of the United States in others. The receivership has probably thus far cost better than \$2,000 per month or approximately \$250,000 to date. There has probably not been an insurance receivership in the United States with so many complicated issues to iron out. The Lion Bonding of Omaha, which failed after the Sioux City company quit business, was badly jumbled, but was finally disposed of about two years ago.

Hord Leaves for Coast

NEW YORK, Aug. 13.—Eugene F. Hord, executive vice-president of the Fireman's Fund Indemnity, with supervision over the territory east of the Rocky Mountains, leaves for San Francisco today, for a conference with home office officials. He is carefully planning its future throughout his field in advance of seeking agency connections.

STANDARD ACCIDENT'S AGENCY HEADS



PAUL M. BOWEN



RALPH H. PLATTS



A. J. CROCKETT

CHANGES IN CASUALTY FIELD

Opens Philadelphia Branch

Coffey Heads New Office of Standard Surety & Casualty—Thompson Is Claims Head

NEW YORK, Aug. 13.—Another forward step by the Standard Surety & Casualty of this city is establishment of a branch at Philadelphia, under management of F. Morton Coffey. F. R. Thompson continues as head of the claim division in the territory, a post he has held for a year. Mr. Coffey, a Philadelphian, started with the New Jersey Fidelity & Plate Glass, after graduation from Girard College. Then he went with the United States Fidelity & Guaranty, and later with the Standard Accident, where he continued for six years, gaining a general knowledge of underwriting in all lines and also of agency development work.

Thompson's Career

Mr. Thompson too was born in the Quaker City. His entire insurance experience has been as an adjuster. In 1916 he went with the claim department of the Ocean Accident, remaining for several years, when he joined the Independence Indemnity, from which connection he came to the Standard Surety in 1929.

Iowa Mutual Liability Announces Appointments

The Iowa Mutual Liability and the Iowa Automobile Mutual of Cedar Rapids has announced several changes in personnel. Homer W. Carley has been appointed assistant to W. S. Duane, manager of the compensation department. Mr. Carley has been with the companies for nine years and for the past five years has acted as special representative in northeastern Iowa. R. J. Lemley, formerly with the Standard Accident, Detroit, has joined the organization in the payroll audit department.

Chiedo to Chicago

J. S. Chiedo, for several years underwriter and office manager for the Pennsylvania Surety, has been appointed underwriter and office manager of the Iowa Mutual's Chicago branch office. H. B. Dodson has been put in charge of agency production in northeastern Illinois with headquarters in Belvidere,

How Come, How Long? Wives Ask About "Ella"

Producers for the Employers Liability were put to much domestic embarrassment recently when post cards signed "Ella" and postmarked London were dropped in their mail boxes. "Hope to see you in London," was the message inscribed on the post cards. Wives of Employers Liability producers wanted to know how come, who and how long but the producers, mystified, could not explain how come, who, or how long.

The mystery was cleared when the author of the post cards was discovered to be Edward C. Stone, United States manager Employers Liability. The name "Ella" was chosen because its first two letters were the initials of Employers Liability. The company is sponsoring a contest, the leaders of which will receive a free visit to London in connection with the Employers Liability golden jubilee celebration.

Ill. Wm. S. Kelly, former director of athletics at Washington high school, will go to Davenport to take charge of the tri-cities branch claim office.

McElhone Branch Manager

Edward T. McElhone has been appointed manager of the Brooklyn branch office of Lloyds Casualty of New York. Walter H. Young remains manager of the plate glass department. Mr. McElhone started with the Royal Indemnity in 1911 at its organization, first in accounts and the next year as assistant counterman in the metropolitan department, later becoming counterman. He became assistant superintendent metropolitan branch in 1915 and resigned in 1924 to become manager of the New York branch for the Sun Indemnity. He left this connection the next year to become liability department manager of the Andrew J. Corsa & Son agency of Brooklyn and three years later became manager of the Brooklyn and Long Island department of the Massachusetts Bonding, the position which he resigns to go with Lloyds Casualty.

Baker Returns to Home Office

J. Healen Baker, who has been manager of the Philadelphia office of the Standard Accident, has been transferred to the home office accident and health department. Mr. Baker was formerly assistant manager of the Standard's Detroit branch and last year was elected secretary-treasurer of the Casualty & Surety Field Club of Michigan.

Get Protective on Coast

Selbach & Deans of San Francisco have been appointed Pacific Coast general agents of the Protective Indemnity, running mate of the Preferred Accident. The firm has been established on the coast for a number of years and has the representation of a score or more of fire companies. As soon as the territory for which they have been given the general agency of the Protective Indemnity, including California, Oregon and Washington, is organized, addi-

tional states will likely be placed under their supervision.

Simons Made Cleveland Manager

William N. Simons, manager of the gulf department of the Employers group at New Orleans since 1922, has gone to Cleveland, to become manager for the Employers group for northern Ohio. He will be succeeded at New Orleans by Herman R. Egloff, formerly assistant manager.

Hartford Accident Transfers

Kenneth Farr, former resident engineer for the Hartford Accident in Manchester, N. H., has been transferred to Detroit as supervising inspector, working with H. S. Thompson, Detroit branch manager. Charles L. Burnes, who has been a special agent in the Detroit branch, has been transferred to the Springfield, Mass., office as manager of the casualty department. J. M. Means, inspector, and J. P. Mikesell, claim agent, have resigned.

Jay Is St. Paul Manager

Clarence Jay, who has been connected with the Fidelity & Casualty's St. Paul office as special agent for the past four years, has been appointed its manager, succeeding Andrew Lilly, resigned. Mr. Lilly continues with the company on an independent basis.

U. S. F. & G. Mississippi Appointment

Bradshaw & Hoover are named new general agents at Jackson, Miss., for the United States Fidelity & Guaranty. W. H. Hoover and E. H. Bradshaw are the partners in the firm.

Maryland Casualty Claim Changes

BALTIMORE, Aug. 13—Wiley C. McNeill is appointed manager of the Omaha and Council Bluffs claim divisions by the Maryland Casualty, succeeding J. R. Dykes, resigned. Samuel S. Wachter succeeds Mr. McNeill as manager of the Des Moines claim division. Charles H. Vogts has been made manager of the Pensacola claim division.

Telfer Quebec Superintendent

F. W. Telfer has been appointed superintendent for the province of Quebec of the Ocean Accident. Mr. Telfer has been with the company for 14 years.

WORKMEN'S COMPENSATION

Hold Hearing on State Fund

Virginia Commission Will Report to 1932 Legislature on Plan for Workmen's Compensation

NORFOLK, VA., Aug. 13.—The first meeting of the Virginia legislative commission appointed to make a study of the advisability of creating a state fund for workmen's compensation insurance was held in Norfolk Saturday. The commission must report to the general assembly at the 1932 session. Meanwhile it is expected to go thoroughly into the question, holding public hearings from time to time.

The commission is headed by Hugh Reid, author of the act creating the commission. Another member is Dr. J. A. C. Chandler, president of the College of William and Mary, who headed the commission that investigated fire rates several years ago. Dr. Robert H. Tucker, professor of economics at Washington and Lee University and one of the original members of the Virginia industrial commission, is also serving on the state fund commission.

Executives Not Under Law

DES MOINES, Aug. 13.—The Iowa department has ruled that executive officers can not come under the compensation law. This ruling is based on a recent decision of the Iowa supreme court. It is possible, if an executive officer

elects to come under the common law liability feature of the policy that he can do so by including his salary in the payroll upon which the insurance premium is based. In case of his being injured, it would be necessary, before he could collect anything, to prove that the firm or corporation which employed him was negligent. He would have to claim a specific amount of damages and prove his case.

More Pennsylvania Workers

HARRISBURG, PA., Aug. 13.—More than 18,000 workers in Pennsylvania have been covered by workmen's compensation since January 1, who had not previously been protected, Peter Glick, secretary of labor and industry, reports. New policies written under the workmen's compensation act for the first six months of this year number 6,085.

Carnival companies showing in the state have complied fully with the law in taking out compensation insurance.

Kansas Accidents Increase

TOPEKA, KAN., Aug. 13.—The Industrial accident record in Kansas as compiled by Commissioner G. Clay Baker for July shows 41.3 percent increase in the total number of accidents reported as compared with the preceding month.

Accidents reported in July totaled 1,107, 324 more than in June, of which 1,069 caused temporary total disability. A corresponding increase of 315 is found in accidents causing temporary disability.

In Old Road



C. M. MARTINDALE

C. M. Martindale, secretary of the Home of New York, has been temporarily transferred to the Home Indemnity, of which he is vice-president. He will do production work. Mr. Martindale was formerly connected with the casualty and surety business before he joined the Home in 1916. He became secretary of the Home in charge of the automobile department. As head of the department, Mr. Martindale has attracted wide attention by his work in connection with automobile insurance. He has handled some of the largest automobile deals of the company. Mr. Martindale is a native of Baltimore and was educated in Baltimore City College. He started with the Fidelity & Deposit home office, serving it for five years and then going with the American Bonding. Later he was with the Equitable Surety of St. Louis and then was associated with the Aetna Casualty in 1914-1915. He returned to the Fidelity & Deposit, where he served a year, and then went with the Home Fire of New York.

ACCIDENT—HEALTH

Craftsman Showing Gains

Springfield, Mass., Company Making Progress in its Field—Ralph Takes Agency Work

B. Davis, agency manager of the Craftsman Insurance Company of Springfield, Mass., has resigned and the agency department is now in charge of Secretary S. A. Ralph. The Craftsman, formerly known as the United Craftsman, and previous to that as the Masonic Health & Accident, has a good agency organization in a number of states, including Pennsylvania, Ohio, Indiana, Illinois and Iowa and is making consistent gains. In five years it has increased its premiums from \$89,000 to \$195,000. The company writes accident and health on both Masons and non-Masons.

Except Only "Intentional" Self-Inflicted Injuries

DENVER, Aug. 13.—A new ruling by Commissioner Jackson Cochrane indicates the word "intentional" will be read into policies or riders excepting "self-inflicted injuries." The ruling is as follows: "Any policy or rider, excepting 'self-inflicted injuries,' now in force or hereafter issued in this state, shall be read, 'intentionally self-inflicted injuries.'

OUR EMBLEM



THOSE who know us best know that our emblem stands for equity, square dealing, truth, mutual confidence.

The trade-mark has a noble lineage; a sign of early civilization; escutcheon of family pride; symbol of knightly valor; emblem of craftsmanship; seal of commerce; flag of nations; the true trade-mark long has served as graphic spokesman for ideals and guarantees of performance, both badge and factor of success for organization.

One day while King George III was looking at a plate which had been brought from Hanover, he observed one of the articles which had the arms of the electorate engraved upon it, and said to an ambassador:

"This belongs to King George II. I know it by the Latin Inscription—'I trust in my sword.' This, I have never liked for had I nothing to trust in but my sword, I well know what would be the sad result. Therefore, when I came to the Crown, I altered it. My motto is, 'I trust in the truth.'"

Our emblem or our coat of arms if you like, has no character symbols. Our background is our future. Yesterday is unimportant: but tomorrow—! A business succeeds not because it is big, or because it has been long established; but because there is some man, or group of men in it who live it, breath it, sleep it, dream it and build great future plans for it.

Our emblem is our symbol of our future plans; it is the connecting link between our present and our future.

Agents who are keenly interested in their future are invited to follow, as in the days of medieval heraldry, the emblem at the top of this page.

Rally around!

Standard Surety & Casualty Company

OF NEW YORK

Home Office: 80 John Street, New York, N. Y.

FRANK G. MORRIS, President

"A Multiple Line Casualty and Surety Company"

Surplus to Policyholders \$2,984,120.90



Go to Dallas!

Go to Dallas for the Annual Convention of the National Association of Insurance Agents, October 7, 8, 9, and 10.

- » Go to Dallas for a connection with a company writing automobile insurance exclusively, a company whose references are the local agents representing it.
- » Go to Dallas; the fifth most important insurance center of the Nation, where you will find a friend in the . . .

UNIVERSAL
AUTOMOBILE INSURANCE
COMPANY
A WORLD OF PROTECTION
4 SPECIALIZED SERVICE

DALLAS, TEXAS

EDWARD T. HARRISON
PRESIDENT

Reprint of such forms shall read, "intentionally self-inflicted injuries."

Change in Provisions

The United Life & Accident of Concord, N. H., one of the pioneer companies to combine accident and health with life, has changed the accident and health part of its policy to read in paragraph 1 of its standard provisions as follows: "No reduction shall be made in any indemnity herein provided by reason of change in the occupation of the insured or by reason of his doing any act or thing pertaining to any other occupation." Formerly the policy provided that in case of the insured changing to a higher rated and more hazardous occupation the benefits would be selected to accord with the premium for that class. Now the benefits are in accord with those of the class of the insured at the time he took out his policy.

Will Meet in Adirondacks

The Eastern Conference of the North American Accident, covering all the territory east of Chicago, will hold its annual meeting at the Arrowhead hotel, Inlet, N. Y., in the heart of the Adirondacks, Sept. 19-21. Arthur J. Bamann, general agent at Rochester, N. Y., has already qualified for the presidency by being the first man to complete his quota of 100 applications. A number of officials from the home office of the company in Chicago will attend the meeting.

Announce Big Group Contract

The National Dairy Products Corporation of New York City has taken out group life, accident and sickness insurance for its 35,000 employes in more than 150 subsidiaries throughout the United States involving \$60,000,000 life insurance and more than \$500,000 weekly benefits for sickness and non-occupational accidents. The plan is cooperative and was underwritten by the Travelers through Marsh & McLennan. Benefits range upward from a minimum of \$1,500 life insurance and \$15 weekly accident and sickness benefits, depending upon the employee's earnings.

Mead Coast Vice-President

W. Dwight Mead, assistant general agent of the Acacia Mutual Life in Seattle, has been appointed regional vice-president for the Pacific Coast of the National Association of Accident & Health Managers. Mr. Mead is a former president of the Seattle Accident & Health Managers Club.

Millener Goes to Rochester

John A. Millener, who has been at the home office of the Columbian Protective at Binghamton, N. Y., since 1928, has moved to Rochester, N. Y., where his headquarters are at 733 Genesee Valley Trust building. Mr. Millener formerly practiced law in Rochester, leaving that city in 1916 to become general counsel for the United Commercial Travelers at Columbus, O.

Issues Life Indemnity

It has been learned that contrary to a statement in THE NATIONAL UNDERWRITER in connection with a story about the new "superior" disability policy of the Continental Casualty of Chicago, that company has been issuing life indemnity on noncancelable accident and health contracts for some time, although several years ago it discontinued covering this hazard. About a year ago the Continental again began assuming this liability, attaching it to regular "non-can" contracts in the form of riders. Rates vary with age and elimination period, as well as classification. Extra premium for the life indemnity rider, \$10,000 of disability benefits, payable \$100 monthly under classes A and B at representative ages are: Three months' elimination period—age 20, \$6; 25, \$6.50; 30, \$7; 35, \$7.50; 40, \$8.50; 45, \$7.50; 50, \$6.50; 55, \$2.50; two months—age 20, \$7.50; 25, \$9.50; 30, 10.30; 35, \$9; 40, \$9; 45, \$8;

Legal Execution Not Accident, Court Holds

The contention that death by legal execution is an "accident," which was raised in a suit in federal court in Chicago and has attracted wide attention, has been definitely overruled by that court.

Suit was brought for \$10,000 under the double indemnity clause of a policy in the New York Life carried by Harry Diamond, who was electrocuted in the Indiana penitentiary in Michigan City for the murder of his wife. The complaint charged that Diamond was put to death by unknown hands against his will.

Federal Judge Woodward held that although Diamond met death unwillingly, his own felonious deed was responsible and added: "No legal casuistry or legerdemain can convert an execution into a death from accidental causes."

50, \$5.50; 55, \$2.50; one month—age 20, \$15.50; 25, \$14.50; 30, \$13; 35, \$12; 40, \$11.50; 45, \$11; 50, \$9.50, and 55, \$8.

Kingsford A. & H. Adjuster

The Continental Casualty branch office in downtown Chicago under Manager J. S. Roberts has appointed Albert Kingsford as accident and health adjuster. Formerly adjustments on this business have been made from the home office. Mr. Kingsford has been with M. T. Davis, who until recently was disability general agent for the Continental Casualty in Chicago. Mr. Kingsford had some four years' experience with Mr. Davis and is an attorney and member of the Chicago bar.

Stamper Forms Indiana Company

Organization of the Physicians Protective Casualty, an accident and health mutual, has been completed in Indianapolis. Temporary offices are at 131 West Market street.

J. Wesley Stamper of Chicago, president of the company of the same name in that city, is president of the Indiana company. Claude C. Renow of Moline, Ill., is secretary-treasurer and general manager. W. H. Rogers of Chicago, who is connected with the Illinois company, is vice-president. Roy Couch of Indianapolis will be agency supervisor.

Make Exchange of Territories

In line with the policy of the Washington Fidelity National to change about the vice-presidents in charge of its territorial divisions from time to time, in order that they may become familiar with the whole field and come into close personal contact with as many of the field representatives as possible. Vice-presidents C. B. Crawford and Z. T. Miller have exchanged territories. Mr. Crawford is now in charge of the mid-west division and Mr. Miller of the southern division.

Will Dissolve Southern Mutual

Commissioner Charles D. Livingston has been appointed receiver for the Southern Mutual Casualty of Detroit by Judge Leland W. Carr of Lansing. The receiver was instructed to take over the business and dissolve the corporation.

Conducts Baseball Contest

The Mutual Benefit Health & Accident is conducting a "baseball contest" in August with five hits for every salesman showing two or more runs. A combination health and accident application counts as a home run and a score; an accident-only application, a two-base hit and a half score; an auto application, a one-base hit and a quarter score.

Offers New Coupon Policy

A new "business men's special coupon premium reduction policy" is announced

INTERNATIONAL RE-INSURANCE CORPORATION (Casualty)

Balance Sheet, June 30, 1930

ASSETS

Real Estate (Home Office Building).....	\$ 275,000.00
Mortgage Loans	882,950.00
Collateral Loans	1,144,600.00
 Bonds and Stocks	
U. S. Government Bonds.....	\$ 553,701.82
State and Municipal Bonds.....	1,252,812.35
Miscellaneous	2,914,751.20
	<hr/> \$4,721,265.37
Less Book over Market Value.....	105,729.64 4,615,535.73
 Cash in Banks and Office.....	
Accrued Interest	517,211.07
Premiums in Course of Collection.....	76,007.84
	<hr/> 786,251.66
	<hr/> \$8,297,556.30

LIABILITIES

Reserve for Unearned Premiums.....	\$1,583,878.53
Reserve for Losses.....	1,169,331.01
Reserve for Commissions, Taxes and Other Liabilities.....	347,341.69
Reserve for Dividends to Stockholders.....	75,000.00
Contingent Reserve	500,000.00
Capital Stock	\$1,500,000.00
Surplus	3,122,005.07 4,622,005.07
	<hr/> \$8,297,556.30

CASUALTY AND SURETY TREATY REINSURANCES SHARE AND EXCESS

INTERNATIONAL RE-INSURANCE CORPORATION

CARL M. HANSEN, President

Home Offices

84 William Street
New York, N. Y.

Pacific Finance Building
Los Angeles, California
U. S. A.

31 Lombard Street
London, England



**The Courage, Energy
and Progressiveness of
Youth guided by the
knowledge and wisdom
of age.**

Beat that!

WRITE TO

FEDERAL SURETY COMPANY
"THAT YOUNG COMPANY"

W. L. TAYLOR
President

Home Office - - Davenport, Iowa

MASSACHUSETTS ACCIDENT COMPANY
BOSTON, MASS.



Established 1883

**Have You Seen Our New
Eureka Series?
Inquire!**

**YOU OR THE INSURING PUBLIC
CANNOT RESIST**

CHESTER W. McNEILL, President
V. R. WESTON, Manager Commercial Dept.

INDEMNIFIERS FOR FORTY - SEVEN YEARS

by Northwestern Life & Accident of Seattle. The policy, as the name indicates, covers all professional men. It pays \$5,000 for loss of life, loss of both hands or both feet, includes aircraft travel and doubles if caused by travel accident—excluding air travel. A series of nine coupons attached to the policy reduces renewal payments 19 to 20 percent.

Accident Notes

The Continental Casualty has opened

an accident and health office in the Leonard building, Augusta, Ga.

The Physicians Life & Accident of Oklahoma City has been chartered by Charles N. Berry, Roy Berry and W. A. Blackburn, with \$250,000 capital stock.

An examination of the Kentucky Central Life & Accident is being made by the Kentucky, Ohio and Indiana departments.

McCauley & Co., Skinner building, Seattle, are now directing the activities of the Inter-Ocean Casualty in the state of Washington.

FIDELITY AND SURETY NEWS

Organization of Bail Bond Bureau Officially Announced

Will Restrict Operations for Present to
New York City But May Be
Extended Later

NEW YORK, Aug. 13.—Establishment of the bail bond writing bureau, in the creation of which former Superintendent Albert Conway and Francis P. Ward, present deputy superintendent, were greatly interested, is now officially announced by the department. Membership in the organization is made up of the American Employers, American Surety, Commercial Casualty, Employers Liability, Fidelity & Deposit, Franklin Surety, General Surety, Globe Indemnity, Great American Indemnity, Hartford Accident, Lloyds Casualty, Massachusetts Bonding, Metropolitan Casualty, National Surety, Southern Surety, Standard Accident, Union Indemnity and United States Casualty. Robert M. Nugent, formerly vice-president of the National Surety, is manager of the organization.

Although the present intention is to restrict the activities of the new bureau to New York City, should the movement prove successful its sphere of operations will be extended elsewhere throughout the state, and possibly to other states. None of the companies entering the arrangement were anxious for the business and embarked in the line mainly as a public service. It may be that under the regulations laid down and with competent management the bureau will be able to function as successfully as did the old Excise Association in pre-prohibition days. In any event those accused of crimes will now be able to supply bail bonds at fair rates of premium, unattested by the "grafting" by unscrupulous agents, so notorious some months ago, which created an uprising on the part of the victims and of the members of both bench and bar.

South Dakota State Bond Fund on Business Basis

PIERRE, S. D., Aug. 13.—The first annual statement from the state bonding department under the new regulations provided by the last legislature is considered very satisfactory by Commissioner Don C. Lewis.

For the fiscal year ending June 30 this department received in premiums on bonds of officials of the state and its political sub-divisions \$34,194, as compared with premium income for the previous fiscal year of \$14,956. The increase in premium income is accounted for both by the larger number of bonds issued and the increased rates placed in effect in July, 1929. It paid out in claims on official bonds \$49,332. The previous fiscal year claims paid were \$53,403. Assets are shown as \$43,674 and liabilities \$37,653, leaving a surplus of \$5,020.

"For the first time in the history of the department," Commissioner Lewis says, "this annual statement has been set up according to the requirements of the insurance department applying to surety companies writing this class of business. This was made possible

through amendments to the state bonding law by the last session of the legislature. A change in the law also made it possible for the department to be operated in accordance with well recognized insurance practices."

Michigan Too Lenient

LANSING, MICH., Aug. 13.—Leniency of courts in dealing with Michigan's bank embezzlers, who have been numerous since last fall's stock collapse, is being deplored by insurance men throughout the state. The companies, it is pointed out, have been hard hit in paying bond losses from this source and the light penalties that have been assessed in the majority of cases are discouraging to everyone except criminals. Bank executives have joined insurance men in criticizing the courts. Bank embezzlers are a menace to society, destroying public faith in the integrity of bankers and banks, it is emphasized. Short prison terms do not compensate in the public mind for theft of thousands of dollars. In some instances in this state probation terms have been given embezzlers and jobs found for them. Sentences of from six months to five years have been in the majority while in only a few instances have terms as long as ten years been given.

Rejects Fidelity Form

Because it provided that in event of default, proceedings for recovery under the bond must be commenced within 12 months after discovery of the loss, Attorney General Bettman of Ohio has disapproved a form of blanket bond recommended by the superintendent of building and loan associations covering officers of such associations. The Ohio statutes permit action on an official bond given in pursuance of statutes to be brought within 10 years after the cause of action arises. The attorney general, therefore, held that the proposed blanket form did not afford the same protection to building and loan associations as the statutory personal bond.

Improve Treasurers' Accounting

RICHMOND, VA., Aug. 13.—With a view of putting a stop to shortages occurring in the offices of county treasurers in Virginia, State Auditor Moore is planning to have a modern accounting system installed in each of these offices.

Seven shortages among treasurers have occurred since March 1, 1928. Under the approved plan, each treasurer will be required to submit a statement every month to the board of supervisors in his county showing in detail the status of funds in his custody.

U. S. F. & G. Special Agency Changes

Kenneth Grace has been appointed special agent of the United States Fidelity & Guaranty at Newark branch office, covering Essex county. He has been with the U. S. F. & G. for some time.

George B. Cawthorne has been appointed special agent at the San Francisco branch office, supervising the Sacramento and San Joaquin valley zone. L. P. McSherry will supervise the coast zone.

Roy O. Yost has been appointed to the St. Louis branch office to supervise Zone 2. Special Agent Robert Turner has been transferred from Zone 2 to the city of St. Louis.

COMPANY NEWS

Company Name Now Changed

Pilot Is Run in Conjunction With the Standard Accident in Canadian Territory

The name of the Pilot Automobile & Accident of Canada, which is owned by the Standard Accident, has been changed to the Pilot Insurance Company. This company was secured by the Standard Accident two months ago and Stewart Leitch, who had been agency supervisor of the Standard Accident, was made manager of the Pilot. This gives the Standard Accident a good Canadian feeder and also means that the claim organization of the Pilot can be used by the Standard Accident in Canada. Now the Ontario has passed a financial responsibility law, companies are featuring their claim service.

Century Indemnity Premiums

The Century Indemnity, the casualty company of the Aetna Fire group, shows an increase of \$800,000 premium income for the first six months of 1930 over the same period last year and will probably write better than seven millions for the year.

American Mutual Liability

The semi-annual statement of the American Mutual Liability of Boston shows assets of \$23,722,531, an increase of nearly \$250,000 since Jan. 1. Surplus is \$4,088,963, an increase of \$27,577, while \$250,000 has been added to the depreciation reserve.

Company Notes

The Metropolitan Casualty has been licensed in Saskatchewan.

The Home Indemnity has been licensed in Nebraska.

The General Casualty of Paris has been licensed to transact guarantee insurance in addition to the other lines for which it is already licensed in Canada.

For the purpose of extending service to contractors, agents and brokers interested in New York state public projects, the National Surety has reestablished its service bureau at Albany, placing Farrington Smith in charge.

BURGLARY NEWS

Third Suit Over Vault Loss

Customer Claims St. Louis Bank Negligent in Protection of Safety Deposit Department

ST. LOUIS, Aug. 13.—A third customer of the Grand National Bank of St. Louis has filed suit to recover valuables lost when robbers looted the safety deposit vault of the bank May 25. The new suit was brought in the name of the Babler Farms Company, the petition setting forth that the company had in its safety deposit box at the time of the robbery \$18,000 in bonds. It claims the bank should be held liable because of negligence in leaving the vault insufficiently protected.

Oklahoma Unhealthy for Bandits

OKLAHOMA CITY, Aug. 13.—The report of Eugene P. Gum, secretary of the Oklahoma Bankers Association, shows that 27 men were convicted in connection with 28 bank robberies in Oklahoma the past year. The report praised the state bureau of identification for its success in this respect. Two men were killed resisting arrest and one is now awaiting execution in Colorado,

with 27 serving terms in the penitentiary, ranging from five years to life. One is serving a life sentence in Texas and 14 are awaiting trial. In all 45 suspects were apprehended.

North Dakota Bank Robbed

Four bandits who held up the Dakota National Bank & Trust Company at Bismarck, N. D., secured \$30,000 in currency and left nothing but will of the wisp trail behind them. Authorities are not even certain of the direction in which they fled.

As a result of this robbery, renewed activities in the formation of vigilante groups are being pushed by the North Dakota Bankers Association.

CASUALTY PERSONALS

Among other important business connections held by Richard Delafield, a prominent banker of New York City, whose death occurred last week, was that of a member of the Board of the American Surety.

Arthur R. Kropach, who was at one time connected with the legal department of the Federal Surety of Davenport, has joined the Iowa Mutual Casualty of DeWitt, Ia., as attorney. Al-

though he will have his headquarters in DeWitt, Mr. Kropach will continue to make his home in Davenport.

W. I. Burke, special agent for the accident and health division of the Globe Indemnity, was stricken on the street in Columbus, O. He died a few hours later in a Columbus hospital. Mr. Burke had been with the Globe Indemnity for the past seven years and had visited its agents throughout the United States. He



WHICH
of these
men is a
potential
CROOK



CAN you tell which, if any, of these men is hiding behind a counterfeit face, qualities that will some day mean a large loss to his employer? If you can, there's a good job waiting for you at the home office of any surety company. As a matter of fact, exact character analysis is just as much a dream as tabloid air.

Years ago, the best that Mr. John Employer could do was to *hope* that all of his employees would remain honest. Nowadays, he reinforces his belief in the integrity of his employees with adequate Fidelity Bonds and thereby acquires the comfort of *knowing* that even if the unexpected should happen, his funds are safe.

An effective mailing campaign and other tested forms of direct advertising make it easier for F&D representatives to develop a profitable volume of this desirable business.

FIDELITY and DEPOSIT COMPANY of MARYLAND

Baltimore



FIDELITY and SURETY BONDS . BURGLARY and PLATE GLASS INSURANCE

Says Lack of Stamina Complicates Costs

By GEORGE W. PANGBORN
General Agent, Indianapolis

After giving careful consideration to the conditions surrounding the casualty and surety business for quite a long period of years and having been favored more recently with the privilege of listening to the oral statements of numerous executives at the recent meeting at Chicago of the committee selected from the membership of the Insurance Commissioners Convention to consider the acquisition cost question, and also after reading the various comments on the subject in insurance journals, I am wondering why some brilliant mind associated directly or indirectly with the insurance business has not offered a common sense observation or explanation of the situation.

Gives Instance of Abuse

It is comparatively an old story. Over ten years ago at least one company which started to disregard existing and well established commission rules by paying in excess of the schedule acknowledged having 133 general agency points in Indiana, but subsequently admitted that the number had been reduced to 104. Think of even that number of general agency points in a state like Indiana! That company accumulated the largest casualty and surety business in the state and dominates the field in that respect at this time.

If drastic measures to curb this spirit of hoggishness had been taken by the bureau companies at once after the above facts became known, the acquisition cost feature of the business could have been kept under reasonable control, but fear of a possible rate war or some other weak-kneed reason kept the loyal companies from applying a prompt cure for the infection.

One Company Responsible

I am not saying that the payment of excess commissions was confined to one company at about the period named, but the competition on commissions was insignificant outside of the company referred to.

It is sheer nonsense to charge the newly organized companies with the responsibility for the demoralization of the acquisition cost factor. They have had to meet the long established evil to get into the game. The old-time executives understand the situation and

Auto Is Leading Accident Cause

(CONTINUED FROM PAGE 29)

place among the hazards of automobile operation, although colliding with trees, telephone poles and other inanimate objects is also a frequent occurrence. Skidding is a common cause of personal injury and even today engine cranking is responsible for many injuries. In the early days of motor vehicles, cranking was the major cause of accident, but the self-starter materially reduced this hazard.

Human Factor Hard to Check

"Due credit should be given to the manufacturers of motor cars for their efforts in seeking to safeguard automobile operation, by installing four-wheel brakes, heavier bumpers, shatter-proof glass, sturdier tires and other safety measures. The human factor, as represented by the skill and temperament of the average driver is the one that is the most difficult to cope with from the standpoint of accident prevention.

"Airplanes have not yet become sufficiently common to figure prominently in our statistics, but speedy travel by air is slowly but surely on the increase, so that the hazards of aviation are certain to have a definite effect on the accident records of the future."

have been trying to discover a remedy for same but they lack the courage to apply drastic measures.

We are evidently facing business conditions that may seriously interfere with the continuance of a source of financial dependability for the companies, known as investment profit, that has in the past covered a multitude of sins, embraced under the head of reckless underwriting and the payment of excess commissions.

Conservative Policy Urgent

Reference to current insurance charts and available statistical information covering the casualty and surety business for the entire United States clearly demonstrates that there is no appreciable margin of profit to justify anything but the maintenance of the most conservative policy.

It is pertinent to mention herein the experience of the company above referred to, as shown in a chart for 1929. It shows losses 62.7 percent; expenses 39.3 percent, total 102 percent; and for a period of ten years a total of 98.8 per-

cent, leaving a margin of only 1.2 percent above the danger line of underwriting.

The pursuance of a live and let live policy on the part of all concerned would approach the millennium of insurance, but I guess we are a long ways from that desideratum at this time.

Why not call a spade a spade and place the blame where it belongs instead of trying to excuse transgressors of safe rules or of evading the real issue, i. e. lack of necessary cooperation and stamina on the part of the companies.

Continental Casualty Has Changes in Eastern Field

The Continental Casualty announces the promotion of Harlow G. Brown from eastern superintendent of agents to resident vice-president, agency department. This promotion is in recognition of the splendid results Mr. Brown has accomplished in the east. Since going east from the home office Mr. Brown has made many friends. The Continental Casualty's business in that section has increased materially. In addition to his added responsibilities in the field, he will be associated with Vice-

president Floyd N. Dull in the development of New York City business.

Gregory T. Crisp, superintendent eastern casualty department, will continue to handle the underwriting of miscellaneous casualty business, and will also assist Mr. Dull in the underwriting supervision of New York business.

The company announces that it will operate a full fledged eastern department and it is intended that all eastern business will be handled on a home office basis.

W. P. Comstock, who has the title of executive representative for the purpose of representing the company on certain bureau rate-making committees, will assist Mr. Dull in the operation of the eastern department insofar as the experience and statistical departments are concerned.

Forms Casualty Subsidiary

RICHMOND, VA., Aug. 13—Lawyers Title Insurance Corporation of Richmond has organized a subsidiary under the name of Lawyers Casualty & Surety Agency, which will write fidelity and surety bonds and also general casualty lines. H. Laurie Smith, an officer of the main corporation, is president of the agency and will be in direct charge of it. W. L. Bramble is secretary. The agency is capitalized at \$10,000.

Agents of the Bankers Indemnity have just re-

ceived a number of specific sales suggestions

which will double their

**What is your
Company doing**

Fidelity and Surety

for you?

Bonding business with-
in a year, if con-
scientiously followed . . .

It pays to represent the Bankers Indemnity!

Bankers Indemnity Insurance Co.

Newark, N. J.

Surplus to Policyholders \$2,500,000

ONE OF THE AMERICAN GROUP

Fleet Coverage Abuses Unfair to All Concerned

THE practice of including individually owned cars of employees in the automobile fleets of employers has been held to be subversive of sound underwriting, resulting in unwarranted discrimination which is unethical and in violation of the anti-rebate laws, by the National Convention of Insurance Commissioners on fleet coverage. The following states have prohibited the practice: Delaware, Florida, Georgia, Idaho, Kansas, Kentucky, Maine, Maryland, Massachusetts, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oregon, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Virginia and Wisconsin.

SUPERINTENDENT C. S. YOUNGER of Ohio, chairman of the commissioners' fleet coverage abuses committee, has been especially active in the condemnation of fleet coverage to employees. He has ruled that there is a clear distinction between the liability of an employee while on the business of his employer and while on his own business or pleasure. "It is quite apparent that in many cases the inclusion of the employee's car in fleet coverage is not so much to safeguard the interest of the employer as it is to cultivate the good graces of the employee who may be naturally pleased to obtain insurance at a less cost than in an ordinary transaction.

"Where the employer has a number of cars that may be used in his or its business, the employer may reasonably be entitled to a fleet coverage rate. On the contrary, there seems to be no defensible excuse for a concession on the privately owned automobile, merely because the owner belongs to a certain club or association.

"The inclusion of individually owned private automobiles in a fleet coverage or group or any other similar plan for rating purposes may properly be held to be a discrimination against other owners of the same type of automobile.

not so rated for insurance purposes. This practice makes for unfair competition and its continued use by agents and companies is in violation of anti-rebate laws. It would seem that the determining factor for proper inclusion under fleet coverage must be ownership and not alone use."

JUDGE YOUNGER reports a number of complaints regarding fleet coverage abuses in Ohio last year. He says companies observing the law are constantly losing business to agents of companies who are violating the law; the result being that the agents and companies violating the rule profited by this unfair competition and the illegal practice.

As an example of the discriminating effect where the privilege of fleet coverage is abused, Mr. Younger cites the case of two men living in the same double house in the same city who work at same type of work but at different manufacturing plants, going and coming at the same hours and owning the same kind of car. However, one may work at a plant where fleet coverage has been written improperly and he is charged for his insurance from one-half to two-thirds of the manual rates, while the other working at a plant across the street where proper fleet coverage has been written is required to pay the full manual rate.

THE insurance business is one of the fundamental activities of the state," says Mr. Younger. "It is impressed with a public use. The primary purpose of the regulation of the insurance business is to see that the public obtains fundamentally sound insurance. Proper regulation therefore requires some supervision over the means by which the business shall be transacted. It is apparent that under the stress of competition the ethics of the business are sometimes disregarded. The gradual breakdown of ethical practices and standards would ultimately weaken the whole superstructure. Sound principles of business and ethical conduct so modified to keep progress with the times are of infinitely greater value than any disregard for such principles. Fully 98 percent of the writing companies in Ohio have voluntarily fallen in line with our ruling on fleet coverage. Some of the worst offenders did so reluctantly,

Position Wanted

Claims Executive: Ten years branch and home office experience as office organizer, claims superintendent and home office general attorney, casualty and surety; desires position traveling for Home Office. Knowledge of all U. S. and Canada territory, particularly Pacific Coast. Address R-18, The National Underwriter.

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All Lines but Stressing Excess Fire Reinsurance General Classifications

Questions and Comment

Field Man's Observations

A well known field man in making some observations on the business a few days ago, said:

"Two field men were discussing the experiences of their companies, both concluding that it was just a matter of 'luck,' neither knowing, apparently, that there is no such thing as 'luck' in the insurance business. The chance of a single building burning is uncertain, but the probability of the burning of one or more buildings out of 10,000 of the same construction, occupancy, fire protection, moral hazard, location and intelligent inspection may be definitely determined. It has been conceded that there is no business that can count more certainly as to the ups and downs of it than underwriters can with regard to the fluctuations of loss for each \$100 of amount at risk.

"An examiner once made the 'crack' that he had gobs of intuition, or 'hunch,' which he used in passing or declining business. He followed one of his 'hunches' in passing a \$7,000 line on a risk in Chicago, of which his company did not have enough to justify a net line of more than \$1,500 at that time. The vice-president happened to be in Chicago when the loss report went through, and it is needless to say that examiner abandoned his 'intuition' system of underwriting. Taking into consideration the law of coincidence, or the law of chance guesses, unless he had 50 percent of his guesses correct he had not 'intuition' in the slightest degree.

"One of the really able underwriters said: 'With a small company doing business in a restricted territory, or a large company taking an unduly large

line on a single risk, the element of 'luck' becomes a factor, but this same factor becomes negligible if sound underwriting practices are followed. An excessive line on a single risk is like a mountain peak rising above the level of an extended plain. Any company taking large lines must be careful to see that it has enough of them to make a second or third average on a higher level. If its average line on a given class of hazards is \$10,000 in amount and it has a \$100,000 line on a single risk of the same class, it is conducting its business on a gambling basis instead of an underwriting basis. There is no 'luck,' good or bad, in fire insurance, and the underwriter who contends for and acts on an opposite theory would do well to sell his stock and go into some other business. The soundness of his theories is reflected in the outstanding success of the company.'

Example Is Used

"The burning of one or two risks out of a large number in a certain class is not vital to the profit or loss on the class if the volume of premium from the class is used as a basis by the company to fix a line commensurate with the income from that class. An instance of how this practice was not followed was exemplified in the case of a company that had two risks of a hazardous class on its books producing \$650 in premiums, and yet they carried a net line of \$6,000 on one and \$5,000 on the other, even at rates considered sufficient. This company was either gambling in an attempt to acquire an income through competition more greedy than discreet, or through ignorance of sound underwriting.

"A well known underwriter once made the remark in discussing a special hazard that it would burn just as readily at 2 percent as at 5 percent, but he lost sight entirely of the fact that a loss on one risk out of 1,000 of the class written at 2 percent would be a very different thing, when it came to balance his books from one written at 5 percent. He overlooked the thing—the rate—that produces volume of premium on numbers of a class, as well as the fire cost—the amount of loss per \$100 of insurance at risk—that shows the burning line."

Contributory Negligence Ruling

LINCOLN, NEB., Aug. 13.—The supreme court, in Wortman vs. Zimmerman just decided, lays down a principle of law relating to automobile damage suits. Wortman was riding, at the time of the collision, on a crated bathtub that had been wired to a truck just back of the driver's seat. From this elevated position he was thrown to the ground when the machine collided with the Zimmerman car, being unable to save himself. The court holds that where a passenger in a machine places himself in a position of peril the jury has the right to conclude that he was guilty of such contributory negligence as would bar recovery under the comparative negligence statute, or that his negligence was the proximate cause of his injury.

Guest Gets Verdict Despite New Law

SIOUX CITY, IA., Aug. 13.—While Iowa has fairly satisfactory "anti-guest law," a district court jury here returned a verdict for \$2,500 in favor of F. M. Bookhart against the Greenlease-Lied Motor Company. The plaintiff was riding as a guest in a car belonging to the company but driven by a salesman of that company, when it collided with another automobile. The guest who was injured sued for \$15,000 and was given a verdict for one-sixth of that amount. The Iowa law limits liability of car owners to guests to accidents happening while the car is operated recklessly or the driver intoxicated.

John M. Durling has been appointed executive special agent in charge of business production for the New Jersey branch office of the Standard Accident of Detroit at Newark.



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* * * * *

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